## *Conference Principles*
By Viscount Hailsham

## *Planning in Russia and Canada*
By Thornton Purkis

## *Why Taxes Grow*
By W. Sanford Evans

*LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER*

# THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

*CANADIAN MINING NEWS DEPARTMENT ON PAGE 16*

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## The Nation's Business

**No Panacea Exists to Solve Problem of Railways**

**But Loss Can be Cut**

**Russian Embargo Costs Us Trade**

**Should It be Lifted?**

### Have We Courage to Face Rail Problem?

THE fact that the Duff railway commission has been unable to suggest a plan for the early solution of the Canadian government railways problem proves nothing more than that no quick cure exists to be prescribed. The railway problem is the product of a series of mistakes going back many years into Canada's economic history and continuing up to the present day. Some of the mistakes that were made were so very costly that we cannot hope to find a magic formula for undoing the harm that they have done. We shall simply have to take our losses from them and attempt to reform our governmental railway policy and administration to eliminate every continuing mistake and bring the management of our railways within the bounds of sense and reason without delay.

* * *

SOME of the most obvious and yet most costly of the errors perpetrated by the people of Canada in regard to these railways were the following:

Building three transcontinental railways;

Bonusing railway construction and giving public guarantees to railway bonds, thus turning railway construction into a contractor's racket;

Refusing to permit insolvent railways to go through the bankruptcy courts, from where financial reorganization on a sensible basis could start;

Merging a large proportion of our railways under public ownership, subject to sectional demands and political influences;

Pitting a privately owned railway against a government owned railway in competition that could never be equable;

Drawing up our railway balance sheets so as to conceal the enormous losses that we have been suffering over a long term of years;

Expanding our railway equipment long after the railway problem had become so serious that only the most drastic retrenchment could alleviate it.

* * *

LOOKING over this list of major errors and considering their enormous cost it cannot be denied that every mistake made was avoidable. It did not require hindsight in any single case to let the country know that it was playing the rôle of the prodigal financial wastrel. Time after time we have refused to face obvious facts and apply the prevention that was always more easily available than a cure is now.

The Duff report raises one important question for Canadians to answer frankly, fearlessly and without delay. The question is this: Are we prepared now to admit that we have been unwise and improvident in our railway policy and to subject ourselves to the rigors of a serious and non-political attempt to save the capital invested in our privately owned railways and to reduce the taxpayers' losses on our publicly owned railways?

* * *

### Should Embargo on Russia be Lifted?

THE barter of Canadian aluminum for Russian oil can hardly do any harm to this country, so long as the usual regulations regarding importations from foreign countries are observed. The prime minister has had to decide whether it was better to permit the Aluminum Company to make this deal or to pour additional relief funds into the Lake St. John district where there is a distressing amount of unemployment.

There are many reasons why the Canadian government should not interfere with private trading operations between Canadian citizens or corporations and the Soviet government, but the chief reason is that our governmental policy regarding trade with Russia has gained the country little, not even the respect and support of other trading nations, and has cost us a certain volume of export trade. On the other hand, there are some sound reasons for continuing an embargo. The discussion on the present deal should provide the government with some idea of Canadian public and business opin-

(Continued on page 2, col. 3)

# BOND INTEREST EARNED IN 1932 BY F. PLAYERS

### Paramount Offerings Excellent—Showing More British Pictures

### FILM COSTS ARE CUT

### Retrenchment at Hollywood May Aid Industry — Paramount Doing Better — Tackling Theatre Costs

Famous Players' Canadian Corporation's decision to defer the dividends due on September 2, 1932, on 378,790 no par value common shares was sufficient evidence that the company did not expect to earn the $2 annual rate in 1932. In 1932 earnings amounted to $2.17 a share but the tendency downwards was already in evidence. The Financial Post is authoritatively informed, however, that bond interest will be earned by Famous Players this year; in fact, it was earned in the early part of the year. Current business is profitable. There have been losing weeks during the off season and the proportion of loss during these was greater than usual because this year is a worse business year than the industry ever experienced.

**Written Down Sound**

Famous Players faces the future with the great advantage that it has written down all its sound equipment to a very low figure. It also expects to attract the public with exceptional offerings this year, including a number of British films that promise exceedingly well. One especially, "The Sign of the Cross," a Paramount picture featuring an English actor, Charles Laughton, is expected to elicit a decided public response.

The parent company, Paramount Publix, has had the expected loss for the first six months of 1932 after depreciation and all charges. Every effort is being made throughout the organization both in Canada and the United States, however, to change the situation from now on. Its own theatres all over the continent will respond to the excellent production programme initiated from Hollywood by giving preferential playing time to the company's films, a policy which should show results even this quarter. It is pointed out that losses to July 2 were in great part paper losses resulting from the company's policy of writing off depreciation on a liberal scale and to losses on investments. The latter losses are non-recurring.

**Paramount Led in Cuts**

Paramount led in the policy of cutting down expenditures. It was the first of the major producers to institute pay cuts all along the line. Retrenchment went so far that the company was criticized by other producers and distributors but they have found themselves obliged by conditions to fall in line.

The decision of Sam Katz, chief operating executive, to spend all his time at Hollywood is expected to bear fruit in the current season. His theory is that the heart of the trouble of moving picture theatres today is at Hollywood and that improvement must begin there. All Paramount attractions this winter will have been produced directly under the executive eye in this manner. Everything has been given intensive attention; drawing power of stars, stories, scenery. Always before the executive mind has been the idea that the public is the final arbiter, and always also that this year it is desirable to have pictures cost less. "The Sign of the Cross," already referred to, cost $650,000 and that is more than most of them have cost. A number of negatives have cost as low as $100,000.

**Good Word for Britisher**

J. J. Fitzgibbons, who looks after the interests of Paramount Publix in Canada, has a good word to say for the British producer. In conversation recently with a representative of The Financial Post Mr. Fitzgibbons said that the British producer has more or less found himself in the last eight or nine months.

There is some prospect that price of moving picture theatre admissions may show a downward tendency in theatres where amount of public patronage permits. The retrenchment at Hollywood will make for lower costs all along the line and will be passed to the general public as soon as other costs are looked after. Slowly but surely progress is being made in reducing costs at exhibiting theatres themselves, and it is hoped that efforts to get adjustments of rules imposed by organized labor will permit economies of importance. For example, organized labor benefits from the law that makes it necessary to have two projection men in every theatre. They are paid $70 or $80 for a maximum 36-hour week and exhibitors claim that only one man is necessary. Organized labor is against any change in provincial laws but exhibitors claim that with modern improvements the projection room is now the safest place in the theatre. If the law were changed the cost would be halved for every theatre in Canada.

# Highlights of the Week

### Events and Topics That Make Articles for The Financial Post This Week

### *Why Our Taxes Rise So Rapidly*

W. Sanford Evans, of Winnipeg, makes some interesting studies of costs of government in Canada. The Financial Post publishes his memorandum in full with six illuminating charts. Page 9.

### *Market Leaders?*

The series of articles on stocks that have a chance at least to rank among the market leaders of tomorrow is resumed with a review of a stock that has paid dividends for a hundred years—Bank of Nova Scotia. Page 11.

### *Our School Costs*

Victor Lauriston shows that provincial regulations force local school boards to spend money and raise taxes against their own better judgment. Page 3.

### *Soviet Planning*

Thornton Purkis, in the second article on what he saw in Russia, discusses the progress and the disappointments of planned economy in Russia and he has some interesting comparisons with conditions in Canadian industry. Page 1.

### *Hailsham's Speech*

Viscount Hailsham outlines eight fundamental principles underlying Ottawa agreements. His Canadian Club of Toronto address republished in full. Page 8.

### *N.S.F. Cheques*

Canada has a brand new law against issuers of phony cheques but merchants do not think it is working out so well. Page 13.

### *Business Steady*

Monthly index of The Financial Post shows third successive month of comparative steadiness as long decline seems halted. Page 7.

# Premier Bennett Allows Trading With Russians on Limited Barter Basis

### Business World Desires Early Statement of Policy Since Crude Oil Admitted — Other Canadian Manufacturers Ready to Follow Example

### CANADIAN REFINERIES AWAIT DECISION

Canada has resumed trading relations with Russia on a limited scale. That fact is made apparent by the arrival with the consent of the Bennett Government of the Danish steamer Aase Maaersk at Montreal with Russian oil. When Premier Bennett fought at the Imperial Conference to have British Empire countries shut out Russian wheat, lumber and other commodities by embargoes or high duties, his reported success, it now appears, was apparently balanced by Canadian recognition of the British viewpoint that some trading should be allowed in order to create needed employment. It is believed that the British delegation knew of the present barter proposal.

**Was There a Trick?**

Ottawa officials point out that crude oil was not in the list of prohibited commodities but it is also true that Aluminum Co. of Canada did not conclude the present arrangement until it was certain of the Government's consent. As crude oil is not produced to any great extent in Canada the Government did not shut it out in the original prohibition as it did wood pulp, coal, lumber, timber and asbestos. Such imports may hurt the large vested interests of Canadian oil companies in crude oil fields in South America and the United States but it was thought that they would not interfere with employment in Canada's crude oil fields. That is probably true, but if the claim is substantiated that the Russians have tried to play a sharp trick on the Canadian customs by bringing in a crude oil which is not a crude oil but a mixture of 70 per cent gasoline, 5 per cent crude and 25 per cent fuel oil which can be easily and cheaply separated in a skimming plant, the situation changes.

Canadian refineries would turn at once to the alleged Russian crude if it comes in free of duty because it could be bought for less than other crude and could be separated into its constituents more cheaply. There are available ample oil tankers to bring in a large part of the needs of Eastern Canada if the Customs permits such entry. Although permission was given by the Government to unload the cargo at the plant of the La Salle Petroleum Co., the Customs officials have withheld their verdict as to whether or not this cargo of Russian oil should pay duty as gasoline and fuel oil, along with dumping duty or come in free as crude oil. A great deal hangs on that decision, as free import would reduce employment materially in refineries while increasing work at Arvida.

**Others Ready to Treat**

It is the view of some observers at Ottawa that when the consignments sent to Canada in part payment of $1,500,000 aluminum have been made, imports of Russian oil will be prohibited. This would undoubtedly produce protests from large Canadian companies which formerly lost large Russian contracts because Canada would not take coal and lumber in exchange. They are ready to do business in exchange for oil if the Governmet permits it.

**U. S. Plans Barter**

In the view of some prominent Canadian business men the attitude of the Bennett Government at Ottawa is being changed by force of circumstances. It is understood that in the United States plans on a huge scale for barter trading with Russia have been prepared. Most of these are not expected to be announced before the election in November, but the plans embrace the importation of Russian raw materials on an enormous scale in return for United States surpluses of all sorts of finished goods. How far these plans will go can only be determined by the event.

**May Take Used Cars**

One plan in the early stages is reported to have come from Russia itself, namely, that the large stocks of used cars in dealers hands in the United States should be drastically reduced by selling them to Russia in return for crude oil. Russia has not so far distinguished itself as a manufacturer of motor cars and it is claimed that uses would be found all over Russia in spite of the dearth of good roads for such cars. Many of them would be transformed into trucks, carts and be used otherwise to speed up production and transportation. Some large refiners are stated to have been approached and to have expressed willingness to refine such crude, and Government authorities have been told that the lessening of used cars would increase the demand for new cars, thus helping employment. In the meantime a large Russian use for Russian oil as a result of thousands of new cars would help the general world situation in this regard.

This plan is only mentioned because it shows how various projects are being mooted in the United States with the object of transferring surpluses to Russia in return for raw materials. The present plan for exchanging Russian oil and aluminum is said to

(Continued on page 2, col. 5)

# *Western Grain Earned Bond Interest Last Year*

MONTREAL. — Western Grain Co., only one of the grain handling companies whose report has not yet been released, is understood to have earned its bond interest together with U. S. exchange, before depreciation, in the fiscal year ended July 31, 1932. What sum remained after provision for interest charges has not been disclosed; in view of crop conditions prevailing last year it is likely that the figure will be below that of the previous year when profit, before depreciation, was $162,411.

In the year ended July 31, 1931, net earnings totalled $340,241. After bond interest and three quarterly preferred dividends there remained a surplus of $64,911, subject to income tax. No provision for depreciation was made in 1931 or the previous year.

Western Grain is not active in Alberta, a factor which probably worked against the company last year when crops in Saskatchewan and Manitoba were unsatisfactory in comparison with the other prairie province. Properties comprise 273 elevators and terminal facilities.

In common with other grain handling companies, Western Grain faces the current year with improved prospects. Substantial increase in the crop just harvested is expected to lead to considerable activity in the industry during the next 12 months.

# CAN. FAIRBANKS BEST MARKET IN MINE AREA

### Northern Ontario Sales Tend to Show Increase

### SMALL GAIN IN WEST

### Other Districts Show Decline — Collections Satisfactory — Cash Position is Maintained

From Our Own Correspondent

MONTREAL.—Sales and earnings of Canadian Fairbanks-Morse Co. continue at a low level though some stimulus has been afforded by improved crop conditions in Western Canada. In that area there has been a certain demand for the company's products and collections have been holding up well.

Northern Ontario, however, is the brightest spot on the Fairbanks-Morse sales map. Activity in mining has been responsible for an encouraging volume of sales in that area; it is, in fact, one of the few districts to show signs of improvement.

The rest of Ontario has been slipping and Quebec, which hitherto has shown a fair volume of sales, has tended to decline. The Maritime Provinces are showing no improvement and sales on the Pacific Coast are reported as unsatisfactory. In short, prospects for betterment over last year's total income of $79,561 are not impressive at the moment.

**Cash Position Strong**

The company's cash position has been maintained and liquid assets are understood to be in excess of $1,000,000 at the present time. A strong liquid position has been a feature of its balance sheet in recent years; at the end of 1931 total current assets were $3,480,550 against current liabilities of $189,639.

In Western Canada, which accounts for about 20 per cent of the company's total distribution, receivables are well in hand. Over ten years ago, outstanding accounts were cleaned up and not since that time has the volume been allowed to get beyond a certain margin. In 1921 an unsatisfactory situation prevailed and a thorough overhauling of outstanding accounts cut this item down to a low level. At the moment it is said that receivables in the West are at the lowest point in years.

**Difficulties of Exchange**

The exchange situation tends to work to the disadvantage of Canadian Fairbanks. The company, though it manufactures certain lines in Canada, is primarily engaged in marketing the products of Fairbanks, Morse & Co. of Chicago. With premium on exchange running at high levels and changing daily, considerable difficulty is encountered in selling the American organization's output in Canada. This factor has tended to increase the company's manufacturing activities in Canada.

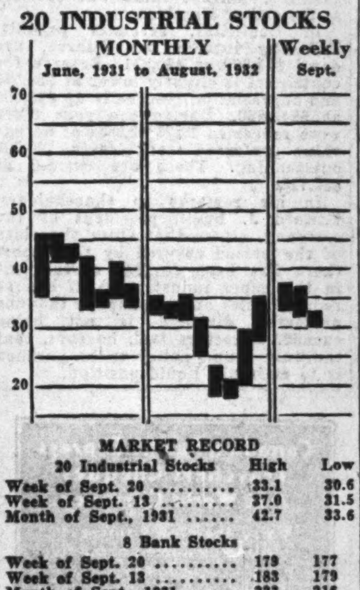
**Defer Common Payment**

Lower earnings this year have resulted in deferment of common dividends though disbursements are still maintained on the preferred stock.

The balance sheet at the end of the current year is expected to reflect results of a proposal put forward to preferred shareholders earlier this year. Directors circularized shareholders in May saying it had been decided to purchase a limited number of preferred shares for retirement and offers for sales were sought from shareholders. The offer expires November 1, 1932.

Though no mention has been made of the number of shares purchased in this manner by the company it is anticipated that a reduction in the $1,500,000 of preferred outstanding at the end of 1931 will be evident in the 1932 balance sheet. There is practically no trading in the stock which is listed on the Montreal Stock Exchange. A nominal bid of 60 is made.

## *Stock Market*



MARKET RECORD

| 20 Industrial Stocks | High | Low |
|---|---|---|
| Week of Sept. 20 | 33.1 | 30.6 |
| Week of Sept. 13 | 37.0 | 31.5 |
| Month of Sept., 1931 | 42.7 | 33.6 |
| **8 Bank Stocks** | | |
| Week of Sept. 20 | 179 | 177 |
| Week of Sept. 13 | 183 | 179 |
| Month of Sept., 1931 | 223 | 216 |
| **10 Public Utilities** | | |
| Week of Sept. 20 | 51 | 49 |
| Week of Sept. 13 | 55 | 49 |
| Month of Sept., 1931 | 67 | 57 |

# Russia's Purchases Sure to be Enormous

### As Standard of Living Rises World Will Sell to Rather Than Buy From Russia — Where "Planning" Would Have Helped Canada

By THORNTON PURKIS

*What a Canadian business man saw in Russia forms the topic of a series of articles in The Financial Post, of which the first appeared in the last issue. The author, Thornton Purkis, a Toronto Advertising man, has just returned from a summer's visit to Russia.*

*Mr. Purkis writes as a friendly critic. The views he expresses are entirely his own.*

*Mr. Purkis is advertising counsel to many prominent firms.*

Thornton Purkis

From comment already received as the result of my first article on Russia. I deduce that the first thing to make clear is, that I am merely describing what I saw, some conversations that took place, and making observations and comparisons where applicable.

I am also attempting to indicate wherein I think the U. S. S. R. are being successful and where they are failing in their system of planned economy; of which the Five year Plan is the prelude. Whatever comparisons are made as affecting Russian conditions, are intended to be placed objectively with conditions that prevailed in pre-revolutionary times. None but a fool would suggest that either working or living conditions in the U. S. S. R. are comparable to those existing in the more modern plants in Canada. Neither are living conditions (for what may be called the middle classes) as satisfactory as those enjoyed here. By middle classes I refer to the better grade of industrial and clerical workers. In Russia these people are not yet as well situated as they were before the Revolution.

**Equalize Standard First**

The Russians, however, point out that their objective is not the improvement of any class, but first, the equalizing and then the raising of the standards of living for all classes. Workers and peasants, commonly called the proletariat, are naturally the first to feel the effects of such improvement as has taken place because of their previous deplorable condition. Many of the middle class bourgeois—tradespeople, bank clerks, professional men and the like (the Menshiviks)—still hope for the overthrow of the Bolshevists. But I think their hope is vain.

**Modern Type Factories**

Consider, for example, factory conditions as affecting comfort and health of workers. Where previously, factories were dingy, ill-ventilated, poorly lighted and lacking in common sanitary conveniences, modern type factory construction now prevails. It follows American methods in interior layout, set-up of machinery, and so forth, and betrays the modern German influence architecturally; i.e., post - cubist style, large windows, flood-lighting, air-purifiers, fire protection devices, recreation, or to be more exact, lecture halls, cafeterias, etc.

One difficulty still is to get the older workers to appreciate many of the things that are being done for them. It is the common experience of employers, not alone in Russia, that a certain percentage of workers prefer dirty surroundings to work in and to live in. Russia has its quota of these people and they are insensitive and unresponsive to all measures taken to educate them.

**Early to Forecast Success**

It is too early yet to determine whether the Soviet economic revolution, embracing complete state control of foreign trade, will succeed. The lack of trained executives and the pitiful inefficiencies resulting from the original worker's committee system of management are obstacles still to be overcome.

Let me elaborate upon this. Until recently, it was common practice for a workers' committee (who, as a rule, are quite incompetent to deal with executive or technical matters) to hold up plans and call a workers' committee meeting to decide whether plans should be carried out despite the fact that the plans had been prepared both by Russian and foreign experts.

This procedure became so frequent and so aggravating that hundreds of foreign engineers and technical advisers became discouraged and let matters drift. But the State Commissioners of Industry have wrought drastic changes in their original policies. Workers' Committees are being abandoned. Management is managing and the rank and file must obey. Russians have discovered that even the proletariat is not always right. Dragooning and disciplining is being accomplished by means of lectures and by continuous propaganda directed at workers on their rest days when they visit the parks of culture and rest. There's an iron hand beneath the glove — and it can squeeze.

**Russia's Shock Brigades**

This reversal of policy accounts for the "Shock Brigades." To explain: If a workers' committee, in a certain plant, asserts that a job, as planned by engineers and executives, cannot be done, then a "Shock Brigade" is formed within or brought from another factory and moved into the plant. The "Shock Brigaders" set to work to prove that the job can be done as specified. If they reach the objective, then the rank and file of workers are jacked up by very severe measures. These measures include loss of employment, or to be more exact, demotion to work of a lower category, with its corollary lower wages. Where sabotage is suspected, it may mean being shifted to the mines or lumber camps.

**Inefficiency Condemned**

Do not, for one moment, suppose that criticism of inefficiency is inarticulate. The Russian technical and general press air grievances and condemn inefficiencies just as loudly as they trumpet triumphs. Comment is personal and scorching in its criticism. Inefficients are pilloried and lampooned unmercifully. There are no libel laws in Russia. On the other hand, good work is praised and the worker rewarded. In this, the editors of the factory papers (or house organs as they are called in Canada) are impartial.

I digress here to make an observation that I think is important. Russians jubilate because there is ample work for everybody in the U. S. S. R. while there is

(Continued on page 4)

# Suggests Kidd Report Could Have Gone Further

### Government Must Be Run as Business, Says Committee Member—Union Cabinet Plan Meets Obstacles

From Our Own Correspondent

VANCOUVER.—Premier Tolmie's hopes of forming a strong coalition ministry to carry out some of the policies recommended by the Kidd committee met a setback when both T. D. Pattullo, the Liberal opposition leader, and W. J. Bowser, K.C., former Conservative premier, declined his invitation to enter the cabinet.

There are strong indications that when the next provincial election is held there will be at least three parties in the field, the union government party headed by Tolmie, the Liberals by Pattullo and the Independent Tories by Bowser. A fourth ticket is now being organized by a farmer-labor group.

Just when the election will be held is still uncertain, but it is the general belief that only an election can clear the air of the present uncertainty and instability. Before the election is held there will have to be a session of the legislature, at which Mr. Tolmie will bring down his various legislative proposals, many of them suggested by the Kidd committee. At this writing, the chief measures likely to come before the legislature are:

1. Reduction of the legislature from 48 to about 30 members.
2. Reduction of the cabinet from twelve to six.
3. Curtailment of expenditures by about $1,000,000.
4. Negotiations for the sale of the Pacific Great Eastern Railway.

Premier Tolmie has been preparing a general statement on the policy he intends to follow during the balance of his term and this will probably form the groundwork of his election manifesto, whenever it is issued. Whether he intends to reorganize his cabinet now, following refusal of Messrs. Bowser and Pattullo to join him, is still uncertain. There are, of course, many able men in the province besides Bowser and Pattullo, but both these men represent important political factions and their attitude may be accepted virtually as a command by many other ministerial prospects to do the same thing, should they be asked to join.

Meanwhile business circles have shown considerable interest in the statement of W. L. Macken, member of the Kidd committee, to the effect that the Kidd committee did not go as far in its recommendations for government reorganization as it would have done under different circumstances.

Mr. Macken says that he believes a small group of competent and aggressive business men with financial training would have a better chance of straightening out British Columbia's economic difficulties than a cabinet and legislature of politicians.

# FARMERS REAP RICH HARVEST FROM TOBACCO

### Finest Flue-Cured Crop in Ontario History Now Garnered

### NETS BIG SUM

### Price Unknown Until Market Opens in October But Cash Return Large

By Staff Editor

SIMCOE, Ont.—As the month-end approaches, 800 tobacco farmers in this amazing county of Norfolk are awaiting anxiously the "opening" of the market which they believe will net between $5,000,000 and $6,000,000 for what is perhaps the finest flue-cured tobacco crop ever harvested in this Dominion.

This week the Belgian tenants and farmers of these rich tobacco acres are cleaning up the fag ends of a magnificent harvest and barns and kilns are full to overflowing with ton upon ton of golden crop. At the first of the month, buyers representing the big tobacco companies here and in Great Britain will suddenly and dramatically "open" the market and days of feverish excitement will follow as cash offers are made and accepted for the precious leaves which constitute the highest-priced crop marketed in this country.

**Depression Disappears**

Development of flue-cured tobacco has literally driven depression from this Lake Ontario county. Stores are busy; gasoline stations hum with activity; hotels are full and shortly, when the crop is sold, a flock of salesmen will descend upon these well-to-do people who inhabit a land which ten years ago had as many deserted farms as it now has rich tobacco plantations.

The success of the new industry is due in considerable measure to the introduction of a unique type of corporate-tenant farming which has made possible the very desirable partnership of a large capital investment and the introduction of the finest technical advice, together with the industry and aptitude for arduous toil of the Belgian peasant farmer. Thus about 40 per cent of the tobacco grown in the county comes from plantations owned by private or joint stock corporations, although in each case the farm is operated by a tenant farmer who shares on a 50-50 basis in the cash return from the crop.

Size of the new Ontario flue-cured crop is expected to be about 20,000,000 pounds as compared with 23,000,000 pounds a year ago. Quality however is the best that has ever been harvested on a large scale as the crop has grown and been harvested under ideal weather conditions. Another factor which is aiding the quality of the crop is the fact that almost the entire crop this year is being "primed" which means that each leaf is pulled as it ripens. This produces a highly uniform crop of fine golden color and even grade.

In previous years the crop has been cut which means the whole plant is cut off and cured and the leaves pulled off subsequently. Although this latter method saves considerable labor at harvest time it means that when the centre leaves are ripe the lower or sand leaves will probably be over-ripe and the tip leaves will be green. The new priming method which has been generally adopted this year for the first time is expected to net the tobacco farmers a considerably higher return per acre in that not only will the grade be better and more uniform but also many leaves which would otherwise be spoilt will be saved. So successful has the priming plan been that it is probable that never again will Norfolk farmers revert to the old method of harvesting.

**Price is Big Question**

At the moment the entire interest of the community centres on the question of price. Up till recently, growers have felt that they were largely in the hands of the

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Radio Weekly

5c On All News Stands 5c

# The Nation's Business

(Continued from Page One)

ion. The whole question of the Russian embargo should now be reviewed in the light of experience and observation of public opinion.

* * *

THE Imperial Economic Conference set down certain basic policies applicable to Russian trade. One was that Empire goods should have preferences in Empire markets. Another was that state-bonused goods, dumped at below their real value, should be barred when they interfered with Empire preferences. Canada might well consider if these policies are now not the only policies we require in dealing with Russia. So long as Russia does not despoil the home market of our own producers, or the Canadian market of British producers, should we prevent our industrialists and merchants from taking advantage of the huge market Russia affords for many of our products? Should our government policy toward Russian trade be passive and protective; or active and antagonistic? The question calls for definite answer.

* * *

AT THE Imperial Conference, Mr. Bennett showed some concern over British policy toward Russia. Whatever his particular ground for objections there were certain obvious reasons why the Dominions could properly object to British policy. In the first place, British trade with Russia was being aided by state credits. In the second place, Britain was permitting Russia to dump goods in her market at prices that may have been favorable to the British consumer but that were fatal to Canadian producers and fatal to Imperial trade development. In the third place, Britain had an enormously unfavorable balance in her trade with Russia, which meant that her state credits were really subsidizing manufacturers in countries outside the Empire. In short, preferences granted to Canada were so small that they were vitiated by Russian export prices.

Between the extremely active promotion of Soviet trade by the United Kingdom and the practically complete prohibition of such trade by Canada, there exists a large middle ground for reasonable policy and it may be that in this middle ground Canada should steer its course.

If the prime minister permits the present aluminum-oil deal to be regarded as a precedent in order that Canadian manufacturers may seek orders in Russia on a profitable basis with assurance that Russian goods exported to Canada at a reasonable figure shall not be barred, simply because they are Russian goods, a good many million dollars worth of useful work may be provided for Canadian workmen in the next year. That is the advantage to be gained. The advantages of the embargo are more intangible but must be weighed.

Of course, all importations from Russia would be subject to the ordinary tariff, dumping and exchange regulations applicable to all foreign imports. The main thing is that our traders should know where they stand.

# TOOKE REPORT REVEALS LOSS FOR PAST YEAR

## After Charges Deficit for Period Was $126,799

From Our Own Correspondent

MONTREAL. — Operations of Tooke Bros., manufacturers of shirts, collars, etc., resulted in a loss of $27,880 in the fiscal year ended June 30, 1932, which compared with a profit of $40,320 in the previous period. After provision for bond interest, inventory depreciation, and a write-off of $47,415 for bad debts there remained a net loss of $126,799.

No provision was made for depreciation last year; directors point out that reserve is now 33 per cent of original appraisal values and that replacements and renewals made during the year were charged to operations. A further deduction of $14.750 was made from surplus for depreciation of investments, leaving surplus at profit and loss of $117,387 compared with $258,936 at the end of the previous year.

**Profit and Loss Figures**

Following is a comparison of profit and loss figures for the past two years ended June 30:

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Net earnings ........ | *27,880 | 40,320 |
| Less: Depreciation ... | ....... | 9,000 |
| Bond interest ..... | 16,008 | 17,473 |
| Bad debts w/o ..... | 47,415 | ....... |
| Income tax ....... | ...... | 489 |
| Invent. loss ....... | 85,496 | 54,936 |
| Net profit ........... | *126,799 | *41,578 |
| Less: Pref. divds. ... | ...... | 68,950 |
| Surplus for year .... | *126,799 | *110,528 |
| Previous surplus .... | 258,936 | 386,964 |
| Investment dep. ..... | 14,750 | 17,500 |
| Balance forward ..... | 117,387 | 258,936 |
| Working Capital | | |
| Current assets ...... | 832,976 | 991,702 |
| Current liabs. ...... | 41,831 | 80,808 |
| Working capital .... | 782,645 | 910,899 |

*Deficit.

**Cut Down Inventories**

In assets, cash is up $40,000 at $52,411 and accounts receivable are down $95,000 at $204,012. Inventories show a reduction of $112,000 at $567,522. Investments are valued at $31,600, a reduction of $13,000, and fixed assets are slightly lower at $658,977. Bonds held for sinking fund are lower by $11,000 at $18,900 and goodwill is unchanged at $323,785.

In liabilities, accounts payable show a drop of $22,000 at $37,166. Other current liabilities comprise bond interest accrued and unclaimed dividends. During the year there were redeemed $11,100 of first mortgage bonds leaving $247,600 outstanding. Depreciation reserve is unchanged at $225,849.

**Remarks to Shareholders**

In his remarks to shareholders, W. M. Weir, president of the company, said in part:

"Sales are down approximately 30 per cent in dollar value and 17 per cent in units compared with last year.

"Your directors early realized that increased economies were essential and I am glad to say that overhead and manufactured costs have been reduced without sacrificing efficiency, which has been improved. The full effects of many of these savings are not reflected in the figures before you, but should be more apparent next year."

# Paramount Publix Corp. Lost Heavily to July 2

Paramount-Publix Corp. estimates its net operating loss for the quarter ended July 2, at $5,900,000 which is after a profit of $535,000 had been shown on the purchase of bonds for sinking fund requirements.

In addition to this loss, special write-offs have been taken during the quarter amounting to approximately $1,790,000, making a total charge against earned surplus for the period of approximately $7,690,000.

This estimate is made after reduction in fixed asset depreciation from the corresponding figure in the first quarter, tentatively set at $900,000. This change is the result of the pending write-down of fixed assets and a corresponding charge against corporate surplus which was recently created by the stockholders in changing the common stock of the company from no par value to a par value of $10.

**Executive Changes**

Maurice Newton, partner in the banking house of Hallgarten & Co., has been elected to the board of directors and has been designated as a member of the finance committee.

The following officers of the company have retired: Jesse L. Lasky, first vice-pres.; A. John Michel, asst. treas. and gen. auditor, and Melville A. Shauer, asst. sec.

**Pulp Materials Valuable**

Total value of all materials going into the manufacture of pulp in 1931 was $50,644,699 and the total value of all pulp produced was $84,780,819.

# Viau Biscuit Earns Preferred Dividend

From Our Own Correspondent

MONTREAL. — Earnings of Viau Biscuit Corp. though affected by conditions prevailing in the industry, have been sufficient to cover preferred dividends paid to date. Price-cutting is reported as bad and profits of all manufacturers have been curtailed.

Beginnings of the price war are laid to small organizations in and around Montreal which have cut prices to a state where the market is disrupted. Efforts are being made to stabilize the situation and producers are hopeful that attempts will be successful.

Earnings of Viau Biscuit in 1931 were sufficient to cover preferred dividends nearly twice over. The company deferred dividend action on its second preferred stock in April this year.

# NIAGARA WIRE EARNS PREFERRED BY FAIR MARGIN

## But Profits Now Fall Below Dividend Requirements

From Our Own Correspondent

MONTREAL.—Net profit of Niagara Wire Weaving Co. in the fiscal year ended March 31, 1932, was $94,379 compared with $128,824 in the previous year, a decline which reflected the unsatisfactory situation in the newsprint industry. After addition of other income of $14,540, total income was $108,919.

Preferred dividends were covered by a margin of $46,294, a sum equal to $1.05 a share on the common stock compared with $1.57 a share in the preceding period. During the year common dividends totalling $1.25 a share were paid resulting in a deficit of $3,706 for the year.

**Profit and Loss Accounts**

Following is a comparison of profit and loss figures for the past two years ended March 31, 1932:

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Net profit ........... | 94,379 | 128,824 |
| Other income ....... | 14,540 | ...... |
| Total income ........ | 108,919 | 128,824 |
| Less: Pref. divds. ... | 62,625 | 66,000 |
| Common divds. .... | 50,000 | 60,000 |
| Surplus for year .... | *3,706 | 2,824 |
| Add: Prev. surplus .. | 18,459 | †15,635 |
| Balance forward .... | 14,753 | 18,459 |
| Working Capital | | |
| Current assets ...... | 611,102 | 705,960 |
| Current liabs. ...... | 85,754 | 165,158 |
| Working capital .... | 525,348 | 540,802 |

*Deficit. †Adjusted.

Despite a reduction in current assets, working capital position has been maintained through a corresponding reduction in current liabilities. The balance sheet shows cash at $299,002, down about $6,000, and accounts receivable of $27,710 compared with $67,301 in the previous year. Inventories are lower by $49,000 at $95,433 and marketable securities are carried unchanged at $188,956. Market value was $168,312 at the end of March.

In liabilities, accounts payable, including income tax reserve, are down $55,000 at $60,211. Reserve for containers is slightly lower at $24,568 and depreciation reserve is up $18,000 at $242,260. During the year there were redeemed 1,275 shares of no par value preferred stock leaving 20,725 outstanding. These are carried at $20,725.

In his remarks to shareholders, Edward J. Buell, president of the company, states that since the close of the period covered by the report there has been further curtailment in the paper industry which has so reduced sales of the company that the preferred dividend is not being earned. Directors feel, he says, that the only sound policy to be pursued is to maintain liquid position.

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# PREMIER BENNETT ALLOWS TRADING WITH RUSSIANS

(Continued from page 1)

have originated in the United States where the chief shareholders of Aluminum Co. of Canada reside and to be only one of various plans.

Many of the executives taking part in preliminary discussions are averse to communistic doctrine but say that it is folly not to trade on a profitable basis, where possible with a people 170,000,000 strong. They add that the only possible way of trading is by some method which assures the exporter of his dollar before his goods leave the United States. That is the view of some Canadian exporters but until the latest cargo arrived, they had no success in impressing Premier Bennett that there was wisdom in this view.

In the meantime a definite, clear-cut statement from Premier Bennett as to whether or not his Russian policy was greatly modified as a result of the Imperial Conference would help to clear the air.

**Surprising Chapter Opens**

OTTAWA.—A new and very surprising chapter in the history of Canada's trade relations with Russia was opened September 14 when the Danish steamer Aase Maaersk arrived at Montreal with 9,000 tons of crude oil from Batum.

This is the first cargo of a large amount of oil which Russia is shipping to Canada in part payment for $1,500,000 of aluminum wire, to be produced at the Arvida, Quebec, plant of the Aluminum Company of Canada. When the cargo arrived it was popularly supposed at Ottawa that the Bennett government would refuse a permit to unload, would, in effect, extend the existing Russian embargo to include oil. On the contrary, after three days delay, ordered by the Department of National Revenue to permit the quality of the oil to be tested, Ottawa formally issued a permit to discharge the cargo.

**Protests Do Not Avail**

It now emerges that the government was consulted with regard to this interchange of goods between the Aluminum Company of Canada and the Soviet government prior to the sailing of the Aase Maaersk and was a consenting party. And it emerges, quite as clearly, that several additional cargoes of oil which will make up the contract also will be allowed into Canada. Protests from the Canadian oil refineries sent to Ottawa and also to many newspapers appear not to have affected any change in the government's point of view.

**Pays Gold as Well**

The oil is being turned over by the Aluminum company to the La Salle Petroleum Company, which will market it in this country. Oil, however, accounts for only one-half of the payment which Russia must make to the Aluminum company, the other half, it is understood, will be in gold.

It is quite true that the government's approval of this interchange of trade is in conflict, to some extent, with the past policy toward Russia, but it is believed the government desired in every way to increase employment at Arvida. The Russian order will mean employment for 300 men immediately with about 700 additional being put to work within a few weeks.

**What About Coal?**

The Bennett government's record in regard to Russia dates from February, 1931, about six months after taking office. At that time, the Russian government desired to exchange Russian coal for Canadian farm implements and made a proposition to the Cuckshutt Plow Company. Russia would buy $10,000,000 of implements, and pay for this one-half with coal and the other half with cash.

**Condemns Slave Labor**

Late in February of that year, the Bennett government passed an order-in-council prohibiting imports of Russian coal, wood-pulp, pulpwood, lumber and timber of all kinds, asbestos and furs. The order-in-council carried a general statement of the government's attitude toward Russia, as follows:

"The government is convinced that there is forced labor in the cutting and transport of timber, and the mining of coal, that political prisoners are exploited, that the standard of living is below any level conceived of in Canada and that, broadly speaking, all employment is in control of the Communist government which regulates all conditions of work and seeks to impose its will upon the whole world This is Communism, its creed, and its fruits, which we as a country oppose and must refuse to support by interchange of trade."

**Moscow Retaliated**

The Moscow government followed with a somewhat similar ban on Canadian goods on April 19, 1932.

But on December 15, 1931, the Bennett government modified its position by removing raw furs from the list of prohibited imports from Russia. And today the presence of the Aase Maaersk at Montreal indicates that oil is not, for the moment, to be considered as a prohibited article.

The general view here, is that, sooner or later—perhaps after the agreement between Russia and the Aluminum company has been completed—the government will put a stop to further imports of oil. The oil refineries certainly are protesting against this new and unexpected competition, and it is probable the government, after a time, will listen to their representations favorably.

**Other Deals Possible**

From Our Own Correspondent

MONTREAL.—A barter of oil for aluminum between Soviet Russia and Aluminum Co. of Canada is an accomplished fact.

The successful conclusion of this deal opens the way to possible trading on a large scale with Soviet Russia. The official ban applies only to coal, lumber, pulpwood and asbestos. If oil or other raw materials not on the ban can be imported, there is reason to expect that other Canadian companies will enter into negotiations with the Soviets for the marketing of their products.

Along these lines it is known that Amtorg, the Soviet trading organization in New York, approached Canadian Car and Foundry Co. The former wanted to place an order for some $3,500,000 of railway rolling stock. Though Canadian Car were anxious to take this business, Ottawa was in opposition. It is possible that negotiations may be reopened and in the event of an agreement being reached, the company's plant at Lachine, which ordinarily employs several hundred workers and is now idle, will again be brought into operation.

# FARMERS REAP RICH HARVEST FROM TOBACCO

(Continued from page 1)

Imperial Tobacco Co. which dominates the Canadian field and although there are other buyers in the field the bulk of the crop went eventually into Imperial hands. Now a new element has come into the picture, namely, British buyers who are now definitely interested in the Canadian leaf although till this year they have been inclined to remain comparatively inactive as far as competitive buying is concerned. The British are anxious to buy a very high quality tobacco but they naturally are not anxious to pay more than domestic users are willing to offer, and their competition so far has been rather more potential than real.

That a good market for Canadian tobacco is being found in England is indicated by the fact that last year between 7,000,000 and 8,000,000 pounds of flue-cured leaf were exported to that country. Great Britain has given Empire and therefore, Canadian tobacco a preference which amounts to about 50 per cent. This materialized in 1925, the agreement to last for ten years, and coincided closely with experiments of Canadian agricultural experts who found that the Norfolk sand plains were ideally suited to the production of flue-cured tobacco. Since that time Canada has been steadily increasing her sales of raw tobacco to Great Britain and the recent action of the Imperial Conference which extended preferential treatment for another ten years ensures an increasing market for the Canadian product.

One British manufacturer is now featuring a cigarette made entirely from Canadian tobacco and merchandised under the trade name "Canadian Club." Various Canadian smoking tobaccos have also been marketed recently with highly favorable results.

**Increasing Use in Canada**

In Canada a highly important factor is the increasing percentage of Canadian tobacco which is being used in Canadian cigarettes. Formerly very little Canadian leaf was used but gradually the Canadian companies have been cutting down the proportion of Virginia tobacco and have been increasing the amount of domestic tobacco. This has been done either by gradually increasing the Canadian tobacco content of established brands and also by the introduction of entirely new brands in which the content has been substantially changed. Thus it is understood that "Roxy" and "Gold Flake" cigarettes which are comparative newcomers to the Canadian field are almost entirely Canadian tobacco while other popular brands now contain between 60 and 70 per cent Canadian leaf, it is said.

Another factor which is good news for Canadian tobacco growers is the short crop now being harvested in the United States. Reduction in the new crop is estimated at approximately 100,000,000 pounds and as a result prices from Raleigh, North Carolina are reported to be about double last year's quotations. The range last year was from 8 to 10 cents a pound while opening quotations this year are around the 16 cent figure. To this must be added the duty of 40 cents a pound which is the present measure of protection afforded the Canadian growers against U. S. imports. If it will cost Canadian tobacco manufacturers 56 cents plus carrying charges to procure U. S. tobacco this year, it is obvious that the more Canadian leaf that can be used at say 30 cents a pound, the more pleased the tobacco manufacturers will be.

**Buying Starts Suddenly**

Few will venture an opinion as to what the price this year will be for nothing is known until a buyer suddenly appears on one of the farms, very, very early in the morning and announces that the market is open and that he will pay so and so for the crop. At once there is feverish activity among buyers and sellers, for it is said to be an all-too important fact that the price rarely if ever goes above the "opening" bid, so growers are usually anxious to dispose of their crops at the earliest possible moment. Last year the market opened at 30 cents a pound but sagged badly when Great Britain went off the gold standard. The average price for the entire crop averaged only a little better than 20 cents. Increased demand, the shortage of the American crop and the high quality of the Canadian crop are all thought to be factors which indicate that a better price than last year will be received by the farmers.

**Comparative Figures**

Some idea of the growth of production in Ontario may be obtained from the following table which includes both burley and flue-cured production. Exports from all Canada are also shown.

| | Ontario Production (Calendar years) Acres | Production (lbs.) | Canadian Exports to U.K.* (lbs.) |
|---|---|---|---|
| 1921 ..... | 6,553 | 7,122,000 | 340,500 |
| 1922 ..... | 9,189 | 11,032,000 | 892,500 |
| 1923 ..... | 8,630 | 21,297,000 | 1,164,000 |
| 1924 ..... | 13,273 | 12,135,000 | 2,219,100 |
| 1925 ..... | 18,261 | 20,623,000 | 2,722,900 |
| 1926 ..... | 23,493 | 20,064,000 | 6,308,000 |
| 1927 ..... | 33,650 | 35,622,000 | 6,054,900 |
| 1928 ..... | 32,654 | 33,266,000 | 6,247,871 |
| 1929 ..... | 26,910 | 27,419,000 | 5,293,170 |
| 1930 ..... | 32,805 | 28,617,000 | 4,820,200 |
| 1931 ..... | 47,360 | 44,770,000 | 7,950,853 |

*Fiscal years ending Mar. 31 of following year, i.e., in fiscal year ending Mar. 31, 1922, exports to U.K. were 340,500 lbs.

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# N. BAWLF GRAIN REPORT SHOWS GAIN IN PROFITS

## All Charges Covered With Small Balance to Surplus Account

From Our Own Correspondent

MONTREAL.—Operating profit of N. Bawlf Grain Co. in the fiscal year ended July 31, 1932, was $90,672 compared with an operating loss of $8,152 in the previous year. After provision for bond interest and exchange, depreciation, and property adjustment there remained a net profit of $1,112 which was transferred to surplus bringing the balance in that account up to $432,794.

In the previous year charges resulted in a net deficit of $92,694 and after payment of preferred dividends totalling $43,300 the total loss for the year was $135,995. No dividends have been paid on the preferred stock, however, since December 1930.

### Prospects Are Improved

Improvement in the company's earnings is encouraging in view of the statement made by directors that crop harvested in the period under review was the smallest experienced in many years. As a result the amount of grain handled by the company's country and terminal elevators was much less in the preceding year indicating that effective economies have been enforced. Reference is made to prospects for a substantially larger handling in the current year.

Following is a comparison of profit and loss figures for the past two years ended July 31:

| | 1932<br>$ | 1931<br>$ |
|---|---|---|
| Operating profit .... | 90,672 | *8,152 |
| Less: Bond interest.. | ‡35,491 | 30,337 |
| Depreciation ...... | 51,377 | 51,318 |
| Property adjust. ... | 2,692 | 2,887 |
| Net profit .......... | 1,112 | *92,694 |
| Less: Pref. divds. ... | ...... | 43,300 |
| Surplus for year .... | 1,112 | *135,994 |
| Add: Prev. surplus... | 431,682 | †567,676 |
| Balance forward .... | 432,794 | 431,682 |
| Working Capital: | | |
| Current assets ...... | 1,152,123 | 1,543,326 |
| Current liabs. ....... | 927,475 | 1,364,122 |
| Working capital .... | 224,648 | 179,204 |

*Deficit.
†Adjusted.
‡Including $7,104 for U. S. exchange and bond redemption.

### Working Capital Improvement

Improvement in working capital position is largely due to reduction in the company's indebtedness to the banks. Loans have been reduced to $803,000 compared with $1,218,000 at the end of the previous period.

In assets, a noteworthy change is in inventories of grain and coal, which are valued at $986,153 compared with $1,129,337. Advances secured by grain are down $15,000 at $3,869 and cash value of life insurance is down $138,000 at $3,742. Memberships, sundry investments, and Peaker Gibson shares total $329,603 compared with $340,603 and total assets at $4,191,693 show a decline of $466,000.

Bank loans, in liabilities, are lower by $415,000 at $803,000 and the balance sheet for the first time gives effect to the $500,000 of first mortgage bonds created in November, 1931, and pledged to the banks. First mortgage bonds of Bawlf Terminal Eelvator, a subsidiary, have been reduced by $30,000 to $435,000; capital is unchanged.

# IRON FOUNDRIES FEELS SLACKNESS IN RAIL TRAFFIC

## Pressure Pipe Subsidiary Makes Headway on Large Orders

From Our Own Correspondent

MONTREAL.—Apart from a seasonal gain in railroad activity operations of Canada Iron Foundries in its railway maintenance division reflect the slackness prevailing in rail traffic. Demand for brake shoes, wheels and similar lines manufactured by the company has fallen to a low level, a factor which recently found reflection in a 50 per cent cut in preferred dividends and suspension of common disbursements.

Satisfactory progress, however, is being made with large contracts on which Pressure Pipe Co. of Canada, a subsidiary, is busy. Completion of 4,800 feet of reinforced high-pressure pipe in Vancouver is expected by the end of the year; to execute this order a $75,000 plant was erected for manufacturing operations.

### Start on Montreal Job

Work is starting on a $1,073,000 order for concrete water mains in Montreal, a contract which will keep the Montreal unit busy for the best part of a year. Some two and a half miles of reinforced concrete piping is embodied in the order.

At Canada Iron Foundries' Three Rivers plant there is relatively little activity. To stimulate employment in this unit the company commenced manufacture of Canadian Ludlow hydrants early in the year and production at this plant has been largely confined to this line.

In 1931 the company reported satisfactory revenue, a slight decline in operating profit being more than offset by a sharp gain in other income. After charges, earnings on the common stock were equal to $12.65 a share, compared with $6.06 a share in the previous year. Dividends on the common, paid at the rate of $3 annually, were suspended in August owing to decreased revenue.

### Alberta Creameries Receive Less Butterfat in August

Alberta creameries received 2,209,835 pounds of butterfat in cream during the five weeks ending Sept. 3, 1932, a decrease of 523,856 pounds, or 19.2 per cent, from the corresponding weeks of 1931, and a decrease of 232,477 pounds or 9.5 per cent from the receipts of August, 1930.

During the 36 weeks ended Sept. 3, 1932, total receipts amounted to 13,690,068 pounds of butterfat as compared with 14,738,569 pounds in the same period of the previous year, a decrease of 7.1 per cent.

### Beaulieu Elected Director General Trust of Canada

From Our Own Correspondent

MONTREAL.—L. E. Beaulieu, K.C., Batonnier of the Bar of Montreal, has been elected a director of the General Trust of Canada. At the same meeting the regular quarterly dividend of 1½ per cent was declared on the preferred stock of the company for the quarter ending Sept. 30.

# School Cost Rise Blamed on Provinces

## School Boards Have Little to Say About How Much They Shall Spend—Provincial Regulations Cause Annual Tax Bill to Mount Rapidly

By VICTOR LAURISTON

One of the resolutions passed at the recent convention of the Ontario Municipal Association asked that municipal councils be given control over the educational expenditures.

This resolution is a further phase of a seemingly perennial feud between municipal councils and school boards in reference to school estimates.

It is a question if the municipal representatives who passed that resolution realize the limited extent to which even boards of education are able to control school expenditures.

In order to bring about a clearer understanding of the situation, a dispassionate examination of actual facts may be worth while.

### Control Capital Expenditures

As the Ontario law now stands (and this is true of most of the provinces) it is mandatory on a municipal council to provide in the current year's tax rate such sums as may be required by the board for the operation and maintenance of primary and secondary schools. A council can send back the estimates for reconsideration by the board; but if the board insists, its estimates must be accepted by the council.

Where, however, debenture issues are required—as for new buildings or extensive renovations—a council has the right, on a formal request from the board, to issue debentures without referring the expenditure to the ratepayers. Or, the council may refuse to issue debentures; in which event the board has the right to ask that the matter be submitted to vote of the ratepayers. The council itself cannot, however, of its own initiative, submit a school debenture by-law to the ratepayers.

In recent criticisms by municipal councils of educational extravagance, it has been customary to point the finger of scorn at costly school buildings equipped with swimming pools, auditoriums, lunch rooms and all sorts of expensive frills. They are cited as evidence of the need of some control by municipal councils over school expenditures and school estimates.

As a matter of fact, the municipal council and the ratepayers, between them, have always had complete control over such expenditures. No school, however adorned with frills, however expensive and extravagant, has ever been built at the expense of municipal taxpayers in Ontario unless either the municipal council or the ratepayers themselves first approved it.

### Board Has Little Control

Moreover, even in respect to the outlay for operation and maintenance of schools, the ratepayers now have as great a measure of control as the municipal councils are seeking; since it is the ratepayers who elect the school board members. Instead of working through a municipal council, would it not be more effective for the ratepayers to work on educational expenditures through the boards they elect?

It might be an interesting experiment, however, to give the school boards themselves control over educational expenditures. Contrary to popular ideas on the subject, educational boards right now have little or no control over the amounts they have to spend.

### Educational Costs Are Higher

It costs more to run the schools today. Why?

The major item is unquestionably that of teachers' salaries. Forty years ago a high school student, having passed the third class (approximately the present lower school) examination could spend four months at a local model school, and secure a certificate, good for three years and renewable for a like period, to teach in a public school. Her out of pocket expenses, before she commenced to earn, would approximate $75 at most.

Today, a student must spend from two to four years longer at a high school. She must then spend a year at Normal school, to secure an interim certificate. After teaching not less than two and not more than four years, she must take a second year at Normal school to secure a permanent certificate.

A year at Normal school costs from $500 to $750; so that under present day conditions the amount a teacher has to spend before she begins to earn—apart from the additional high school training—is from eight to ten times what it was under the old system.

Forty years ago an ambitious public school teacher could study while he was earning and qualify himself to teach in a secondary school. His out of pocket expenditures for books and examinations might run $50.

Now, to qualify as a secondary school teacher, a candidate has to spend four years in university and a fifth in the Ontario College of Education, with an outlay between $3,500 and $5,000 before anything comes back. In other words, it costs between 70 and 100 times as much to qualify for a secondary school teacher now as it did then.

When the cost of preparing for the profession is so vastly increased, it is inevitable that far larger salaries must be paid to compensate for it.

### Why Schools are Overcrowded

A startling phenomenon in recent years has been an increase in school attendance out of all proportion to any increase in population.

As a boy in the public school, I made my way from the primer to the high school in four years. Now it takes eight or nine years to get from the kindergarten to the high school. The pupils start school younger (boards are required to accommodate them at five years of age instead of seven). The courses of study have been extended to include new subjects. At least twice as many teachers are required.

The same thing is true of high school work. New courses have been added and new specialists are required to teach them. There has been, too, the transfer of first-year university work from the universities to the secondary schools. As a result of this, teaching formerly done by the universities at the expense of the province is now being done by the high schools at the expense of the municipal taxpayers.

### Another Reason for Increase

By the Adolescent School Attendance Act, the age limit for school attendance has been increased. Formerly, attendance was not compulsory over the age of 14, or after passing the entrance examination. Now, under this Act, attendance at public or secondary schools is compulsory up to the age of 16; and spare time classes must be attended up to the age of 18. The result has been to increase the attendance, especially of unreceptive and laggard pupils, in secondary schools. Another factor in overcrowding is the unit system of examinations. Formerly, a student wrote an examination—primary, junior leaving or senior leaving—involving a number of compulsory subjects and a number of options. To get his examination, he must pass in every subject. Yet very few pupils "flunked."

In recent years, a pupil may get his standing in a single subject. Thus, he may write eight subjects, get three, and go back for the remaining five. He may get two of these, and go back for the other three. Or he may take two or three subjects one year, a few more the the next, and thus string an examination over a period of several years.

### Western Boards Rebel

In other words, examinations may be written on the long-term and easy-payment principle. The result is that high schools are, many of them, overcrowded with "repeaters" who are dawdling through a stipulated course. Yet each repeater is one more addition to the problem of overcrowding; resulting in demands for extra classrooms and extra teachers.

In the Canadian West these repeaters have so abused their privileges that desperate boards are limiting the free course in high schools to five years and charging pupils beyond that period.

### Where Did Initiative Rest?

Such are the main reasons why schools cost more today than they did forty years ago, even after allowing for increased school populations and higher wages and material costs.

Are school boards and boards of education responsible for the changes in the educational system which produced these results?

They most emphatically are not responsible. In every instance the initiative came from the provincial department of education. The department raised the standard—or in other words raised the cost of training for—the teaching profession and thus compelled increased salaries. The department enlarged the courses of study, raised the age of compulsory attendance, initiated the unit system of examinations, unloading university work on the municipalities, and in these ways overcrowded the schools, forced new buildings and increased teaching staffs.

### School Board's Small Job

Under existing conditions education is not a purely municipal matter. In fact, except for raising the money, it is not a municipal matter at all. It is a partnership in which the municipality pays the piper and the province calls the tune. The provincial department of education says what must be taught and how it must be taught; it prescribes the training for teachers and controls their certificates; it lays down the basic requirements for all school buildings and in the case of secondary school buildings it oversees and sometimes drastically revises the plans. The province fixes the age limit up to which pupils must attend school; and fixes the conditions and controls the examinations whereby they graduate.

"What does the school board do?" The school board hires the teachers and janitors, sees that the schools are kept running, asks the city council to raise the necessary money, it is not a municipal matter high tax rates.

### Possible Remedies

At the present time boards are not increasing expenditures on education. The point of criticism is not increased expenditures, however; it is the failure to reduce expenditures in a drastic way. Expenditures cannot be so reduced; because the boards are up against certain hard and fast requirements that can be modified only at the initiative of the department of education and the provincial government.

For the time being the province is not likely to force the boards into extravagant courses. With the full return of prosperity, however, safeguards against increase of expenditure are desirable. The problem is on the one hand to avoid the tendency of the too progressive to be extravagant; and on the other hand the tendency of the too-economical to starve the school system. But if control were granted them, there would be, too, an inevitable tendency of municipal councils to balance increases in their strictly council expenditures by slashing the school rates.

### Might Fix Budget

A possible remedy would be to stipulate a fixed allotment for education. This might be either a fixed amount per pupil, or a fixed amount per capita of the population, or a fixed rate on the assessment. It would favor the latter.

Up to this fixed rate, the board should be entitled to secure the funds for operation and maintenance of the schools without question. Above this rate, the granting of additional funds should be optional with the council.

Indeed a fixed tax rate for all municipal purpose was a measure I suggested some years ago; and it might be desirable to limit not merely boards of education in this regard, but other municipal spending bodies as well.

# PRICE BROS. MAY ASK ASSISTANCE OF STOCKHOLDERS

## Step May be Necessary if Outside Help Not Secured

From Our Own Correspondent

MONTREAL. — Shareholders of Price Bros. and Co. may be called upon to assist the company in meeting interest charges on its first mortgage bonds, before the actual date of default, if assistance is not secured from outside sources.

This is the information contained in a letter despatched to the shareholders by the company. The letter points out that interest due on August 1 on the first mortgage bonds was passed. Under the trust deed, the company has ninety days of grace to make good this default.

### Need Over $331,848

At the end of last year the company had outstanding $11,061,600 of 6 per cent first mortgage bonds. The half yearly interest charges, which are payable in American funds, total $331,848. Adding the American premium, about $375,000 would be needed to take care of this obligation in order to prevent default on the bonds.

The letter sent to the shareholders and which is signed by W. P. Creach, secretary, reads as follows:

"On the 1st August last your Company was unable to pay the half-yearly installment of interest due on that day on its First Mortgage Bonds. Under the terms of the trust deed of hypothec, mortgage and pledge securing these bonds, if the failure to pay such interest shall have continued for a period of ninety days then proceedings under such default may be instituted and your company's assets liable to forfeiture under the terms of the deed.

"As you are probably aware, the conditions under which the newsprint industry is operating are extremely difficult and it is improbable that your Company will be able, unaided, to meet this liability.

"Your board of directors are making every effort to obtain assistance prior to the default becoming actual, under terms which are not too onerous to the company.

"Your board of directors feel that the shareholders should be informed of the acuteness of the company's position and give them this advance notice that it may be necessary, if their investment in the company is to be protected, for them to provide, at least in part, the required assistance."

# RADIO MAKERS PLACE NEW SETS BEFORE PUBLIC

## Drop in Second Quarter Sales Points to Possible Glut

From Our Own Correspondent

MONTREAL. — Radio manufacturers are swinging into the 1932-1933 season on the crest of a wave of advertising, but the record of sales in the second quarter of the current year points to a substantial inventory carryover into the new season, which may prove an unsettling factor in the price situation.

Sales of radio receiving sets in the three months ended June 30 totalled 11,210 machines, compared with 28,092 in the same period last year, or a decline of about 64 per cent. Values dropped nearly 75 per cent, amounting to $575,802, compared with $2,217,840.

### Average Prices Lower

In short, the average factory price of a receiving set dropped 35 per cent to $51 in comparison with the second quarter of 1931 when the average price was $79. The lower price per unit, however, failed to stem the decline in unit sales.

The most popular model, from a sales angle, was that priced from $65 to $100. Sets in this class comprised 34 per cent of the total sales, with the $100-$175 sets accounting for 30 per cent of the total. Sets with a list price of less than $65 accounted for 19 per cent of the sales.

### Foresee Distress Selling

The sharp drop in unit sales in the second quarter of this year has likely left a fairly large supply on dealers' and manufacturers' shelves. Old models will have to be marketed in conjunction with the new; some observers see difficulties for those companies which have not kept their stocks at a relatively low level if distress selling commences.

Models making their appearance for the forthcoming season incorporate several new features. Engineers say that some of the new developments in the past have been christened with scintillating names and their importance has been exaggerated. Sometimes new set features or tubes which actually represented a retrogressive step have been exploited. This year's engineering advance, however, has evolved a number of unique, and mostly important, developments, according to those engaged in radio research work.

# IRON ORE TRAFFIC DECLINES AT "SOO"

## Canal Carryings Reflect Situation in Steel Industry

From Our Own Correspondent

MONTREAL.—Unprecedented conditions in the steel industry found reflection in canal statistics for August which show that iron ore traffic through the Soo canals amounted to only 748,189 tons or 14 per cent of the August 1931 tonnage and 9 per cent of the 1930 tonnage. Wheat shipments were higher by 4,000,000 bushels at 23,084,516 bushels, but total traffic in the month was 3,095,319 tons against 8,384,881 tons for August last year. Total traffic from the opening of navigation until the end of August amounted to slightly over one third of the 1931 traffic for the same period.

Shipments of wheat through the Welland Canal, a factor which has a bearing on Canada Steamship Lines' operations, showed a sharp gain in August increasing from 164,259 tons to 422,236 tons or 14,074,530 bushels. For the season to August 31, total traffic through the Welland Canal was up nearly 400,000 tons at 4,758,322 tons.

In the St. Lawrence Canals, August traffic was heavier by 223,242 tons gaining from 714,370 tons to 937,612 tons this year. The largest increase was in wheat.

# WHITTALL CAN PLANT ACTIVITY IS MAINTAINED

## Prospects for Canning Subsidiaries Show Improvement

From Our Own Correspondent

MONTREAL. — Operations of Whittall Can Co. are being undertaken on a satisfactory basis and the plant in Montreal is busy on substantial orders. This division of the company's activity, it is understood, has been well maintained in recent years but it is Whittall's investment in its canning subsidiaries that has proved unprofitable in the last year or two.

Prospect for a betterment in the canning industry is now apparent. Following an agreement between Ontario and Quebec canners the way has been paved for elimination of disastrous price-cutting, which has upset the market, and indications are that Associated Quality Canners, a subsidiary, will enjoy a better year than was the case in the period ended February 28, 1932.

### Had Substantial Loss

In that year the company sustained a net operating loss of $539,545, a figure which included inventory losses and write-downs. Balance sheet showed a lack of working capital, with current liabilities exceeding current assets by $600,430. Arrangements have been made, it is understood, to finance the current crop, which, if sold at better prices, should enable the company to strengthen its position.

Whittall Can Co., however, showed a good gain in earnings in the year ended February 28, 1932. Net income was $330,795, which did not include any income from its subsidiary, as was the case in the past. Earnings were equal to $11.92 a share on the preferred stock, but dividends were suspended in July, 1931.

In addition to supplying requirements of its canning subsidiaries, which operate 13 plants, Whittall has various other contracts for the sale of cans and metal containers. It was stated in July that the company had secured a contract to supply the entire can requirements of Sherwin-Williams Co. of Canada, largest paint manufacturer in the Dominion.

### Dominion Coal Holds Production in August

From Our Own Correspondent

MONTREAL—Output of the three Dominion Coal Co.'s collieries at Springhill in August was 27,500 tons. This compares with shipments of 23,749 tons. There is relatively little change in production or shipments as compared with the same month last year.

Prospects for September do not appear to be any too bright; in fact, it is anticipated that the collieries will not work more than a total of ten days as no new orders are in sight at present.

### Montreal Rail Operations Unaffected By Decision

From Our Own Correspondent

MONTREAL—A recent winding up order granted by the Montreal courts in the case of the Montreal Rail and Water Terminals will not in any way interfere with the conduct of the business, according to Gordon W. Scott, who has been appointed provisional liquidator. These proceedings, according to Mr. Scott, were instituted for the purpose of effecting a reorganization of the capital structure.

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PONTIAC SIX

# Utilities and Transportation

## B. C. POWER CORP. COVERS DIVIDENDS ON SENIOR STOCK

### Surplus of $9,339 Compares With $436,816 Last Year

### POWER SALES DOWN

### Tramway Operations Continue Unsatisfactory—Gas Sales Up—Taxes a Burden

From Our Own Correspondent

MONTREAL.—Dividends on the British Columbia Power Corp. "A" stock, amounting to $2,000,000, were covered by a margin of $9,339 during the fiscal year ended June 30, 1932. This compared with a surplus of $436,816 during the preceding year.

Operations of B. C. Power Corp. and its subsidiary companies last year were satisfactory in view of general conditions prevailing in the area served. Consumption of electricity was off, as also the number of passengers carried on the tramways system, but sales of gas were higher. The accounts were also affected by the increased taxation payable to the Dominion, provincial and municipal governments.

**Gross Income Lower**

Gross income for the past year totalled $14,356,841, as against $15,119,946 in the preceding twelve months period. Operating expenses were reduced, while depreciation and renewal charges remained about the same. Provision for income tax was higher, leaving net revenue at $4,519,838, compared to $5,022,558 in 1931.

Particulars of the income account for the past two years follow:

| | 1932 $ | 1931 $ |
|---|---|---|
| Gross | 14,356,841 | 15,119,946 |
| Less: Op. exp. | 7,287,333 | 7,779,964 |
| Dep. & renew. | 1,869,804 | 1,870,965 |
| Prov. inc. tax | 679,866 | 446,459 |
| Net revenue | 4,519,838 | 5,022,558 |
| Deduct: Int. bond disc. divds. sub. pref. | 2,510,499 | 2,585,742 |
| | 2,009,339 | 2,436,816 |
| Less: "A" divds. | 2,000,000 | 2,000,000 |
| Balance | 9,339 | 436,816 |
| Br't. forward | 1,462,773 | 1,025,957 |
| Car. forward | 1,472,112 | 1,462,773 |

**Gain in Assets**

A number of smaller changes took place in the balance sheet during the year. Assets at June 30, 1932, totalled $145,228,251, as against $144,425,070 at the end of June, 1931.

Current assets are featured by a decline in cash on hand and in inventories. Investments are carried on the books at $1,469,196, as against a marked valuation of $954,485. In the previous report investments were shown at $1,308,723.

Property account has been increased from $134,840,486 to $136,562,072.

**Reduce Current Liabilities**

On the liabilities side of the ledger, current assets have been reduced during the year from $3,723,241 to $3,526,487, largely by a restriction in amounts payable. Bonded debt shows a slight reduction of $61,600 to $39,004,716.

Outstanding capital stock of subsidiaries remains unchanged.

Depreciation account has increased from $21,220,423 to $22,421,200, while the general and accident reserve declined from $1,504,942 to $1,450,522.

**Operations Are Surveyed**

In respect to operations last year, kilowatt hour sales of electrical energy decreased from 372,282,045 to 346,549,095. The number of customers, on the other hand, increased from 118,267 to 121,169, while the motor load in horse power moved up 2,739 to 169,839.

Operations of the gas department were made satisfactory, sales advancing from 1,272,870,000 cubic feet to 1,313,074,000 cubic feet. There was also a small increase in the number of consumers from 50,697 to 50,728, while the miles of mains in use increased from 572.42 to 590.17.

Tramway operations were again disappointing, the number of passengers carried totalling 69,862,419, the lowest in five years, and comparing with 74,249,159 in 1931. Freight tonnage also declined, totalling 249,285 for the year just passed, as against 343,326 in 1931.

## Newfoundland Recalls Special Stamp Issue

Proposed sale of 400,000 stamps by the Newfoundland Government during a world flight sponsored by the Aerial World Tours, Inc., has been cancelled by the government owing to the fact that the tour has not been started.

About 25,000 of the special stamps which were printed have been issued and the Government has demanded their collection and return.

Sale of the 400,000 stamps was expected to net Newfoundland about $80,000.

## Shipping Rate For Grain Haul Now 6¼ Cents

From Our Own Correspondent

MONTREAL.—Another quarter cent rise in grain shipping charges on the Great Lakes became effective September 15 bringing the current tariff to 6¼ cents a bushel on shipments from Fort William to Montreal. The previous rate was 6 cents a bushel which compared with 4¾ cents a bushel when rates were stabilized with the formation of Associated Lake Freighters early in August.

Increased revenue accruing to Canada Steamship Lines through the firmer trend in carrying charges should aid the company in the last few weeks of navigation. Operators say, however, that a rate of 7 cents a bushel would allow ship owners to cover their working costs and insurance but at the present improved rates there is distress.

With a faster movement of grain down the Great Lakes prospects of Canada Steamships would become more encouraging. Revenue derived from this source plays an important part in total earnings for the year.

## National Light Bond Interest Is Well Covered

Gross earnings of National Light & Power Co. in the 12 months ended May 31, 1932, show some reduction from the preceding year which is offset in some degree by reduction in operating expense, according to a preliminary report of operations of the company. The annual statement of the company has not as yet been published but it is believed that bond interest was earned some 2.34 times before depreciation in the past fiscal year as compared with 2.19 times before depreciation for the year ended May 31, 1931. The company has now completed two full fiscal years of operations since the acquisition of the municipally owned power plant at Moose Jaw in May, 1930.

Preliminary estimates of earnings for the year ended May 31, 1932, show gross earnings at $529,675 as compared with $574,733 the preceding year, while operating expense is down to $249,120 from $262,616. Net earnings available for depreciation and bond interest are estimated at $280,555 compared with $312,117 in 1931, but in that year, other income amounting to $3,494 was added to operating revenue. Depreciation in the year just ended amounted to $28,736 as in 1931, while bond interest was down to $120,000 from $122,333.

## Southern Canada Power Earnings Register Decline

From Our Own Correspondent

MONTREAL — Southern Canada Power Co. reports gross earnings in August last of $172,804, a decrease of $15,085 from that for the same month a year ago. Operating expenses were cut by $9,338, leaving net earnings for the past month at $107,457, as against $113,204 in August, 1931.

For the eleven months of the fiscal year ended August, 1932, gross income totalled $2,040,454, from which was deducted operating expenses of $747,448, leaving net earnings of $1,293,006. For the corresponding eleven months' period of the preceding year, gross earnings amounted to $2,151,100, operating expenses $846,482 and net income $1,304,618, or $11,612 more than that reported this year.

## Hydro-Electric Securities Set Share Warrant Rights

From Our Own Correspondent

MONTREAL.—Hydro Electric Securities Corp. has had an amendment to its charter approved by Quebec. The change provides that in future share warrants will not be counted as part of the capital stock of the company for the purpose of any annual or general meeting of shareholders, unless the bearer of such share warrant "shall in respect of such meeting have previously complied with the requirements of the by-laws of the company for the time being in effect setting forth the conditions under and subject to which the bearer of share warrants shall be entitled to attend and vote at meetings of shareholders."

**Erect Refinery at Weyburn**

An oil refinery with a capacity of from 100 to 150 barrels daily is to be erected at Weyburn, Sask., by a local syndicate headed by J. A. McBride, president of the Crown Oil Co. Ltd. An order for the necessary machinery has already been placed, and work on the plant is expected to commence almost immediately on a site recently secured.

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## GATINEAU POWER INCOME ADVANCES SECOND QUARTER

### Returns Affected by Inclusion of Special Items in Income

From Our Own Correspondent

MONTREAL. — Gatineau Power Co. and subsidiary companies report increases in both gross and net earnings in the second quarter of this year over the corresponding period of 1931. Gross revenue, including other income, was $2,265,323, compared with $2,202,711 in the second quarter a year ago; net revenue available for interest and depreciation was $2,148,731 against $1,911,027; and balance added to surplus was $671,121, compared with $372,327.

As will be seen in the following quarterly income account for comparative second quarters in 1932 and 1931, the gain this year in surplus earnings was due largely to profit on exchange, profit on bonds and debentures redeemed and a writing down of depreciation and amortization of storage works:

| Quarter Ended June 30 | 1932 $ | 1931 $ |
|---|---|---|
| Gross revenue | 2,265,323 | 2,202,711 |
| Profit on exchange | 125,669 | ...... |
| Profit on bonds and debent. redeemed | 54,306 | ...... |
| Total gross revenue | 2,445,298 | 2,202,711 |
| Net | 2,148,731 | 1,911,029 |
| Int. on 1st mtge. bds. and prior liens | 885,578 | 881,785 |
| Balance | 1,263,153 | 1,029,244 |
| Interest on debent. | 279,250 | 283,824 |
| Other int., amort. of disc., div. on pref. stock of sub. | 166,983 | 174,410 |
| Depr. & amort. storage works | 145,799 | 198,683 |
| Balance to surplus | 671,121 | 372,327 |

**Yearly Total Higher**

For the twelve months ended June 30, 1932, gross income totalled $9,573,173, including profit on exchange and on bonds and debentures redeemed, totalled $9,573,173. This compares with $8,185,328 in the preceding twelve months period. After deducting interest on first mortgage bonds and prior liens, the balance available was $4,724,446, compared to $3,922,841 in the previous year. After providing for all charges, the balance added to surplus totalled $2,329,939, up from $1,507,997 in the twelve months ended June 30, 1931.

Particulars of the income account for the past two years follows:

| Twelve Months Ended June 30 | 1932 $ | 1931 $ |
|---|---|---|
| Gross revenue | 9,097,020 | 8,154,002 |
| Profit on exchange | 368,730 | ...... |
| Profit on bonds and debent. redeemed | 107,423 | 31,326 |
| Total gross revenue | 9,573,173 | 8,185,328 |
| Net | 8,274,081 | 7,152,530 |
| Int. on 1st mtge. bds. and prior liens | 3,549,635 | 3,229,689 |
| Balance | 4,724,446 | 3,922,841 |
| Int. on debentures | 1,122,420 | 1,140,404 |
| Other int., amort. of disc., div. on pref. stock of sub. | 693,860 | 664,781 |
| Depr. & amort. storage works | 578,227 | 609,659 |
| Balance to surplus | 2,329,939 | 1,507,997 |

Commencing in July the small profit arising through premium on United States funds will no longer be received and there will be a loss averaging about $15,000 a month, based on present rates of exchange, representing the cost of acquiring the balance of United States funds needed for the payment of interest and sinking funds.

## Dominion Protests Hudson Bay Rate

Representation has been made by the Government Marine Department to the marine insurance underwriters to extend the period of minimum rates on shipping through the Hudson Straits, which under present arrangements expires on Sept. 30. By paying an additional premium extension can be obtained to Oct. 7.

It is urged by the government department that instead of a fixed rate arbitrarily set, the date should be moveable dependent on the season. Officials of the department are confident the Hudson Bay route will be perfectly safe for shipping at least to the end of October this year, as it was last.

So far insurance underwriters have not agreed to set back the date on which lowest rates expire.

## Ramsey Goes to England To Study Garnet Problem

For the purpose of discussing with the grain and milling interests in the United Kingdom and on the continent the standards generally of Canadian export grain, E. B. Ramsey, chairman of the Board of Grain Commissioners for Canada, is now on his way to Europe. He is accompanied by J. Raynor, secretary of the board, and will be met on the other side by Dr. F. J. Birchard, chemist to the board, who has been attending a bread exhibition at Rome.

Enquiries will be made especially into the question of Garnet wheat and practical methods sought for dealing with this variety of grain, either as a separately graded variety as recommended by both the Western Grain Standards Board and the agricultural committee of the House of Commons, or as at present graded under the Canada Grain Act, which allows Garnet to go into the Northern grades of red spring wheat, but not to grade higher than No. 2 Northern.

## Newfoundland Ore Imports Drop Sharply in 1932

Newfoundland and the United States are the two chief countries from which iron ore is imported by Canada, but the imports this year have been almost completely cut off. The total amount since January, in which month 1,127 tons were imported, up to July was only 1,201 tons, all of it from the United States, according to the Dominion Bureau of Statistics.

During the calendar year 1931 the iron ore imports totalled 808,420 tons, the countries supplying it being: United States 544,909, Newfoundland 230,851 and French Africa 26,403.

The Wabana iron deposits at Bell Island, a few miles from St. John's, Newfoundland, is the chief iron mine in the British Empire, says the Commercial Intelligence Journal, and the fourth most extensive deposit in the world. The mine is owned by the Dominion Steel and Coal Company and it is the source for ore for this company's blast furnaces at Sydney, N.S. Germany and Canada are the chief importers of Wabana ore.

**More Vessels Reach Montreal**

Nearly fifty more ocean vessels have arrived at the Port of Montreal this season than during the corresponding period of last year, the actual difference being shown as forty-nine, and the total since the opening of navigation as 561. There is also an increase over the same period in 1930 of thirty.

## *Scandinavian Paper Sales To United States Unchanged*

From Our Own Correspondent

MONTREAL.—Coincident with the break in prices of newsprint, considerable comment has been raised on Scandinavian competition in the New York area. Such competition has been exaggerated to a large degree, as the returns of the United States Department of Commerce do not support the belief that American publishers are purchasing more Northern European newsprint.

During the first seven months of this year the United States imported 89,311 tons of newsprint from European manufacturers. This compares with 89,122 tons for the same period a year ago, or a gain of only 189 tons.

**Sweden Takes Lead**

Further examination of the European returns shows that imports in the January-July period of 1931 show that Sweden was in the lead, having supplied 38,225 tons, or about 2,000 tons less than a year ago. Finland's exports advanced from 26,698 to 27,704 tons, while Germany's contribution declined from 12,592 to 9,419 tons. The greatest gain was made by Norway, which increased its shipments from 9,513 tons in 1931 to 12,810 tons in 1932. The amount received from other countries moved up sharply from 35 to 1,153 tons.

It is apparent that these figures do not altogether support the belief that Scandinavian manufacturers are marketing larger quantities of newsprint in the United States. Considered in relation to Canada, it is to be admitted that the percentage of the total market held by the North European manufacturer is greater than a year ago, though in relation to the whole it is still a small proportion.

## Belgo Plant Re-opening Is Not Being Considered

From Our Own Correspondent

MONTREAL.—Report that the Belgo plant of Consolidated Paper Corp. would be re-opened after the turn of the year and that wood would be cut this winter on a fairly extensive scale, is officially denied. It is said that no major change is contemplated in operations at present and that newsprint manufacture is being carried on at the Laurentide, Grand'Mere, Wayagamack and Port Alfred mills.

## Seasonal Gain Recorded In Newsprint Production

### August Output Continues Along Level Below That of 1931—Presidential Elections in the United States Expected to Increase Paper Requirements of Publishers

From Our Own Correspondent

MONTREAL.—Canadian newsprint mills operated in August at about 47.2 per cent of rated capacity for an output of 157,919 tons. This compares with an operating ratio of 51.3 per cent and an output of 165,214 tons in August last year and is the lowest production for that month since 1925. The gain of nearly 15,500 tons over that reported for July is seasonal in character and does not influence the trend of output, which has been consistently below that of last year.

It is to be expected that the forthcoming presidential election in the United States will have a marked effect on the consumption of newsprint by American publishers. Past records show that a national election has a definite bearing on the needs of the publishers and production of the Canadian mills over the next three months, therefore, is expected to increase in more than seasonal proportions.

**Cumulative Total Lower**

Since the beginning of the current year the Canadian mills have produced 1,300,477 tons. This is 207,000 less than that reported for the same period of 1931 and is the lowest cumulative production for the eight months period since 1926.

Shipments of Canadian newsprint have followed the trend of production, the mills having despatched 154,881 tons in August to bring the cumulative total for the year up to 1,301,274 tons. For the corresponding period last year shipments totalled 1,487,361 tons and for August alone 162,303 tons.

**U. S. Mills Shipping**

Conditions in the American newsprint industry continue unsatisfactory as is evidenced by an output of 79,529 tons in August, a gain of about 5,000 tons over the previous month, but a decline of 9,000 tons from that reported in August 1931.

Since the beginning of the year cumulative production in American mills has totalled 697,436 tons, or the lowest figure for that period in any year over the past two decades. The trend of production in the United States has been steadily downward and there is little immediate prospects of any change for the better.

**Mill Stocks Heavy**

The mill stock situation in the United States and Canada shows relatively little change. At the end of August the two divisions reported stocks of newsprint on hand totalling 86,011, of which 35,982 tons were credited to American plants and the balance to Canadian operators. On the same date a year ago stocks totalled 82,907 tons. The high figure for stocks at the end of August was recorded in 1928 when 92,995 tons were reported.

**Newfoundland Output**

Returns by the other newsprint producing areas in North America are on a satisfactory basis. Newfoundland mills reported an output in August of 23,513 tons, bringing production to date up to 186,732 tons. For the same month last year output totalled 24,402 tons for a cumulative production of 194,967. Though the Newfoundland output this year is running a bit behind that reported for 1931 and 1930 it is still well above the average prevailing over the past five years.

Mexico's output of newsprint in August totalled 1,484 tons, as against 1,082 tons in the preceding month and 1,351 tons in August 1931. For the eight months period of 1932 production amounted to 8,687 tons, as against 10,322 tons for the corresponding period last year.

## RUSSIA'S PURCHASES SURE TO BE ENORMOUS

(Continued from page 1)

vast unemployment in other countries. The reason for this, I think, is simple, although I have not seen it stated before. There is ample work available because of the apalling lack of every conceivable kind of commodity that makes for the comforts and amenities of living. All such commodities were previously imported and it may be years before the Soviet Union can commence to supply its own market for these comforts, etc., from its own factories.

**Lack Life's Amenities**

Do not forget that, while the Russian proletariat lacked these comforts before the Revolution, the spread of education has had a tremendous effect in stimulating desire for the better things of life. Russian women are keenly interested in nice clothes, toiletries and so forth, living examples of "The Colonel's Lady and Judy O'Grady." Moreover, any visitor to the Soviet Pavilion at the Milan Exposition last year got an eye-opener in the shape of the variety of light manufactured articles that the Soviet Union were exporting and selling in European markets. The difference between trade exhibitions in most European countries and our Canadian National Exhibition is, that the former are organized to attract trade buyers rather than the multitudes. Nor are European trade exhibitions defiled by the stink of hot-dog stands and similar offenses against good taste. The directors of the Canadian National Exhibition might learn something in this respect.

**Would Have Been Different**

If Russian industrial development had kept pace with industrial progress in other manufacturing countries during the past 40 years, and if Russians had been large exporters of manufactured goods previously then I cannot see how even under their present system of planned economy, they could have escaped over-production and avoided unemployment. I questioned some Russian executives about this. Their answer was that they will avoid over-production and unemployment by reducing working hours as each branch of industry attains its objective. Theoretically that sounds perfect, but whether this ideology will be preserved in practice is questionable; and the question can't be answered yet.

**Claim Power to Estimate**

It all gets down to what is intended and what is actually done by the system of planned economy upon which the entire Russian industrial and agricultural structure is based. The authors of the Five Year Plan assert that they can estimate annually, or even quinquennially, in advance, the given quantity of any manufactured commodity necessary to their welfare. Starting from this point they proceed to lay out factories and equip them so that, under normal operating conditions, (the seven-hour day and a rest day every sixth day) these factories, equipment, and personnel can turn out the quota set by the plan. Just what reserve they are providing for in the case of breakdown I could not discover, but my impression is that some provision must be and is being made in the same way that some hydro-electric street railway systems maintain a steam plant as a "stand-by."

**Two Canadian Examples**

The nearest example that I can think of as planned economy under a capitalist system exists in the cases of the Consumers' Gas Company of Toronto and the Bell Telephone Company of Canada. Both of these public utilities are benevolent monopolies. Without knowing anything particular about their methods of operation, I should judge that the Consumers' Gas Company can estimate quite closely what the annual consumption of gas is per capita and can gauge their raw material requirements with accuracy and due regard to normal increase of population in the territory served. Moreover, since I understand that the company is only allowed to earn a fixed income upon its share capital, it presents the ideal of a company practising an efficient system of planned economy although its executive may never have regarded their functions in this light.

The Bell Telephone Company, and its subsidiaries, operate in almost the same way except that their monopoly is not confined to one municipality. But as a public utility they are permitted to earn a definite fixed income upon common share capital, and to issue new capital obligations to investors if as and when required and duly sanctioned by authority.

**Lack of Planning**

As example of the lack of planned economy under the capitalist system one might quote the Canadian pulp and paper industry and the bureaucratic management of the Canadian National Railways, which has laid a burden upon the Canadian taxpayers for generations to come.

The Canadian pulp and paper industry is in its present unhappy position because large timber limit concessions were indiscriminately granted by provincial authorities to those who proceeded to build and equip pulp, paper and lumber mills and get into production without regard to normal markets. The result (with few exceptions) has been disastrous over-production resulting in ruinous competition.

The Canadian National Railways present an impressive example of the lack of a planned economy by state officials. No matter how citizens look at it, any form of public ownership is state socialism. (But politicians never refer to it as such). In the case of the Canadian National Railways, the Dominion government, having gone into the railroad business, apparently went ahead without regard to expense or possible or probable traffic requirements. As a result almost as much of the taxpayers' money has already been spent, in ten years, as was spent to prosecute Canada's part in the Great War. Not only that, but the bureaucracy forced a private, successfully-operated capitalist system into ruinous competition.

**Five Years' Plan**

What has been the outcome? The Duff Commission's report recommending a Five Years' Economy Plan!

It would be grotesque were it not so heavy a burden upon the taxpayers and so pitiful a drain upon investors. Nothing more illogical could ever have been saddled upon a country as vast as Canada with its small population. But then, what do these apostles of state socialism care?

Had there been anything comparable to an efficient planned economy in railroad operation in Canada both the C. P. R. and the C. N. R. would not be in the position that they are in today. The taxpayers might have been far better off if, when the old Canadian National and Grand Trunk had to be taken over, the government then in power could have persuaded the C. P. R. to operate both lines and assume their funded debt. Of course, the C. P. R. might justifiably have refused the gift. Worse, supporters of public ownership (Socialists) would cry — "Dangerous monopoly." But surely some conditions could have been set up and enforced to prevent the evils of monopolistic ownership in the same way that control is exercised over the Consumers' Gas Company and the Bell Telephone Company?

**Test is to Come**

These instances could be duplicated in dealing with over-production and competitive selling in smaller industries. The retort will be that competition is necessary and that the consumer is benefited by competition. That may be so, although quite a few consumers are beginning to doubt it.

It remains to be seen what will happen when the U. S. S. R. have raised standards of living and abundantly supplied their own market with what might be called the liberal comforts of life and commence to seek world markets for surplus manufactured products that their system of planned economy may make available.

Russia has already been a decidedly disturbing factor in world markets for certain raw materials such as oil, coal, lumber, furs, wheat and base metals due to the necessity for establishing foreign credits. However, those who don't want to face facts and meet unpleasant realities may figure that these eventualities will be something for the next generation to worry about.

**Will Be Huge Market**

My observation is that with the spread of education in the U. S. S. R. the Russian people's wants will increase and their standards of living rise to heights as yet undreamed of. If so, Russia should provide a magnificent market for goods manufactured in other countries, providing, of course, that capitalist countries will take Russian goods in exchange and thereby establish some sort of a balance of trade. I am by no means alone in thinking this. This opinion is actively held by manufacturers particularly in Great Britain, Germany and Italy. Moreover, Canadian newspapers have just blazoned forth the fact that, despite Canada's ban upon trade with the Soviet Union, one large Canadian firm has sold to Russia a million dollars worth of its products and is accepting payment for it in crude oil. This indicates that trade will be done despite politicians.

In my next article I shall endeavor to present a detailed synopsis of what is understood by Socialist Planned Economy. I repeat that I am not trying to pit the Soviet system against the capitalist system to the detriment of either. I am merely trying to interpret my observations for the interest of those who, like myself, may wish to keep posted upon what is going on beyond the confines of their own village.

## Public Utility Earnings

**B. C. Power**

| July | 1932 $ | 1931 $ | Decr. $ |
|---|---|---|---|
| Gross earn. | 1,065,956 | 1,195,432 | 129,476 |
| Oper. exp. | 766,167 | 866,597 | 100,430 |
| Net earn. | 299,789 | 328,835 | 29,046 |

**Winnipeg Electric**

| July | 1931 $ | 1932 $ | Decr $ |
|---|---|---|---|
| Gross earn. | 436,252 | 408,840 | 27,412 |
| Expenses | 295,493 | 282,662 | 12,831 |
| Net earn. | 140,759 | 126,178 | 14,581 |
| Aggre. gross 7 mos. | 3,412,744 | 3,319,110 | 93,634 |
| Aggre. net 7 mos. | 1,131,239 | 1,217,517 | *86,278 |

*Increase.

**Can. Western Natural Gas**

| | 1931 $ | 1932 $ | Decr. $ |
|---|---|---|---|
| Jan. | 262,102 | 296,751 | 34,649 |
| Feb. | 226,842 | 338,591 | 111,749 |
| March | 232,102 | 287,945 | 55,843 |
| April | 214,889 | 205,967 | *8,922 |
| May | 124,260 | 126,078 | 1,818 |
| June | 84,419 | 85,155 | 736 |
| July | 67,405 | 58,586 | *8,819 |
| Aggre. from 1st Jan. to 31st July | 1,212,019 | 1,399,073 | 187,054 |

*Decrease.

**Gatineau Power**

| | 1932 $ | 1931 $ |
|---|---|---|
| Quarter end. June 30 | | |
| Gross revenue | 2,445,298 | 2,202,711 |
| Net before int. etc. | 2,148,731 | 1,911,029 |
| Bal. added to surplus | 671,121 | 372,327 |
| 12 mos. ended June 30 | | |
| Gross revenue | 9,573,173 | 8,185,328 |
| Net before int. etc. | 8,274,081 | 7,152,530 |
| Bal. added to surplus | 2,329,939 | 1,507,997 |

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# News of Investment Markets

## MANITOBA ISSUE MARKS RETURN OF COMPETITION

### Co-operative System of Financing is Discontinued

### WAS EFFECTIVE

### Permitted Orderly Marketing of Provincial Bonds When Market Was Unsettled

The underwriting and offering of an issue of $4,000,000 23-year bonds of the Province of Manitoba this week possibly marks the end of the period of co-operative selling which has prevailed since the beginning of the current year on all provincial financing offered in the Canadian market. The larger investment houses are understood to have agreed to discontinue the practice of handling provincial financing through a co-operative selling group and return to the former method of competitive bidding on new provincial issues.

Some bond dealers rather doubt that the market has improved to such an extent that the co-operative method is no longer necessary. One prominent investment banker feels that under the system of competitive bidding for provincial issues there may be a tendency for the provinces to secure funds too readily and feels that the bargaining power of the largest investment banking firms in the Dominion working in concert has had a very stimulating effect in getting provincial expenditures more in line with revenues.

**Two Plans Outlined**

In brief, the co-operative plan was accomplished by participation of all investment banking houses in each issue although details of the issue were arranged by a small group of the larger bond houses. Each issue was sold for the borrower on a commission basis and the investment houses in the management group were not committed to the borrower for the entire amount of the issue. The price at which the issue was sold was reached by mutual agreement between the borrower and the selling group. Under the competitive plan, various syndicates of investment bankers enter sealed tenders for the bonds that are to be issued and the successful bidder either buys the entire issue or handles the sale on an option basis.

Under the co-operative plan the provinces and larger municipalities in Canada were able to float bond issues in an orderly sequence during the first six months of the current year. Some $60,000,000 of provincial financing was accomplished in this period under this plan in an extremely uncertain bond market which might well have been entirely disrupted had the competitive system of bidding by different syndicates prevailed. With stabilization of the bond market the acute need for the system disappeared and sale of an issue of Ottawa bonds last May was the first break in five months.

The stronger investment houses are now willing to take definite commitments and it is understood the Manitoba issue is fully underwritten by the offering syndicate which includes Wood, Gundy & Co., Dominion Securities Corp., A. E. Ames & Co., Royal Bank, Canadian Bank of Commerce. McLeod, Young, Weir & Co., Fry, Mills, Spence & Co. and Bell, Gouinlock & Co. The bonds are dated October 1, 1932, and mature October 1, 1955. Offering is being made in Canada at 96¾ to give a yield of 5.77 per cent to private investors. Bonds are payable in Canada only at principal branches of the Royal Bank.

## Quebec Plans Bond Sale On Over-the-Counter Basis

From Our Own Correspondent

MONTREAL—City of Quebec does not plan to pay any underwriting commission on its next loan, present plans calling for the sale of $674,800 of bonds over-the-counter at par, provided that the issue is authorized by the Quebec Municipal Commission. The issue carries a coupon rate of 5½ per cent and will mature in five years.

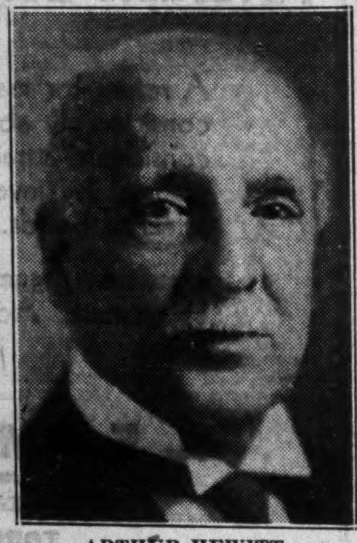
From the proceeds of the issue $495,000 will be used to retire bonds falling due on Oct. 1, with the remainder used for various public works.

## Bond Tenders

**2 p.m., Sept. 22, Belleville, Ont.**—$113,162.50 6 per cent serial debentures as follows: $25,000 due April 1, 1933-1962; $20,000 due April 1, 1933-1952; $3,646.15 due June 1, 1933-1952; $39,569 due June 1, 1933-1952; $24,947.20 due June 1, 1933-1962. Assessed value of city, $10,218,636; gross debenture debt, $3,582,062; net debenture debt, $1,640,014. Tax levy in 1931, $576,950; 1931 levy uncollected, $107,408; total tax arrears, $174,929. H. B. Stock, city treasurer, Belleville.

**Orillia, Ont.**—In addition to the $76,565 of debentures recently sold to A. E. Ames & Co. the town has $4,100 of 30-installment 5's and $1,825 of 15-installment 5's guaranteed by the county of Simcoe for which tenders have been asked.

## Toronto Man Honored



ARTHUR HEWITT

Vice-president and general manager of The Consumers' Gas Company of Toronto, who will be the next president of the American Gas Association.

## EASTERN DAIRIES DEFERS DIVIDEND ON JUNIOR STOCK

### Marketing Conditions Said to be Cause of Action by Directors

From Our Own Correspondent

MONTREAL.—As intimated in The Financial Post two weeks ago, the management of Eastern Dairies Ltd., one of the largest dairy organizations in the Dominion, has deferred the regular quarterly dividend of 25 cents due on its common stock at this time.

This action was anticipated in view of the difficulties encountered in the Winnipeg, Toronto and Montreal areas in which the company operates through subsidiaries. Conditions at these three points have not been particularly favorable for profitable operations in the past several months and it is understood that earnings have been materially affected.

**Created Large Organization**

Eastern Dairies came into being in 1926, when it acquired the Elmhurst Dairy, of Montreal, Standard Creamery Co., of Verdun, and Producers Dairy Ltd., of Ottawa. Since then the company has absorbed the Acme Dairy, of Toronto, Hull Dairy Ltd., Shawville Creamery, Crescent Creamery, of Winnipeg, Farmers' Dairy Co., of Toronto, and a number of other plants.

Earnings have shown a steady increase from year to year, except in the year ended March 31, 1932, when they dropped about $34,000 to $801,689. The amount earned on the preferred stock in that year was equivalent to $9.33 a share, against dividends of $7, while $1.10 was shown on the common stock, as against dividend payments of $1.

The common stock was originally placed on a dividend basis on October 15, 1930, with a payment of 25 cents a share. This quarterly rate was continued without interruption up to date.

## Bondholders of Firstbrook Box To Meet Again

Holders of the 6 per cent first mortgage sinking fund bonds of Firstbrook Boxes Limited appointed a protective committee of five members at the bondholders meeting held September 14. The committee consists of Alex. Fasken, K.C., C. S. Macdonald, H. R. Stephenson, S. L. Whitaker, H. H. Donald. The newly formed committee is largely representative of institutional investors who hold a large percentage of the bonds outstanding and the committee has been authorized to give effect to any provisions of the trustee securing the bonds.

It is understood that several offers have been made for the company and the meeting of September 14 was adjourned to Tuesday, September 27, at which time the bondholders' protective committee will report. At the meeting of September 14, $334,000 of bonds was represented, out of an outstanding amount of some $474,000.

Firstbrook Boxes Limited failed to meet bond interest due June 15, and institutional investors took these actions with a view to correcting the situation, although no meeting of bondholders was called until the interest had become three months in arrears. The company owns a large plant on a ten-acre site in Mount Dennis, Ont., and also owns plants at Thessalon and Penetang. The company makes wooden boxes, box stooks, corrugated paper boxes, folding cartons and display boxes.

## ONTARIO DEFICIT IS CERTAINTY; REVENUE DOWN

### Scheduled Cuts in Expenditures Materialize—Income Disappoints

Ontario will close its fiscal year ended October 31 with a substantial deficit in place of the surplus of $365,000 estimated in March of this year. While a deficit was indicated by the close study of figures submitted when the last Ontario bond issue was offered early in July and close students of provincial finance considered a deficit of up to $10,000,000 a possibility for the current year there has been no official statement that would indicate how close this rough estimate is to the actual facts.

The Hon. E. A. Dunlop, provincial treasurer, has recently issued a partial statement on operations for the ten months ended August 31, which indicates that while provincial expenditures have been reduced according to estimates shown in the March budget, revenues have also shown a substantia decline. In the ten months period savings of $4,101,649 have been effected by 13 different departments and only two departments show an increase in expenditure over the previous year. The savings in the ten months period totalled $4,101,649 which compares with estimated reductions in expenditure for the full year of $4,500,000 indicated in the last budget.

**Revenues Drop**

Revenues from motor vehicle license fees, gasoline tax and the recently imposed wine tax show some increase in the current year, but other major sources of revenue have been lowered. There is an estimated decrease of $1,250,000 in succession duties, $2,000,000 in Liquor Control Board earnings and between $2,000,000 and $3,000,000 from lands and forests. The average decrease in government revenues will be between 15 and 20 per cent according to Mr. Dunlop's statement.

The estimate for the current year provided for ordinary revenue of $56,005,000 and ordinary expenditure of $55,640,000. If for the current year the province experiences a reduction in ordinary revenue of 15 per cent from the estimated figure for the year and keeps expenditures within the estimate, a deficit of some $6,350,750 would be incurred. In any event it would appear that the province must report a deficit larger than in any year since 1925.

Decreases in expenditure effected by the different provincial departments as compared with 1931 reported by the Hon. Mr. Dunlop for the ten months ended August 31, 1932, are as follows:

| | |
|---|---|
| Legislation | $ 27,504.23 |
| Insurance | 5,931.58 |
| Education | 998,686.68 |
| Lands and Forests | 563,418.25 |
| Mines | 126,600.01 |
| Game and Fisheries | 62,689.44 |
| Public Works | 135,056.65 |
| Highways | 1,281,675.61 |
| Health | 261,195.45 |
| Prov. Secretary's Dept. | 211,728.31 |
| Treasury Dept. | 5,947.08 |
| Auditor's Office | 2,070.74 |
| Agricultural Dept. | 419,144.97 |
| | $4,101,649.35 |

## Bond Sales

**MIDDLESEX COUNTY, ONT.**

Midland Securities Corp. has been awarded $62,000 5½ per cent 15-installment debentures of the County of Middlesex, Ont. at 102.06, a cost basis to the county of approximately 5.18 per cent. Bids for the issue are reported as follows:

| | | |
|---|---|---|
| 1. | Midland Securities Corp. | 102.06 |
| 2. | Harrison & Co. | 101.707 |
| 3. | Wood, Gundy & Co. | 101.27 |
| 4. | H. R. Bain & Co. | 100.88 |
| 5. | Griffis, Fairclough & Norsworthy | 100.86 |
| 6. | Bell, Gouinlock & Co. | 100.83 |
| 7. | Goulding, Bulmer & Scott | 100.817 |
| 8. | Dominion Securities Corp. | 100.779 |
| 9. | J. L. Graham & Co. | 100.775 |
| 10. | Pitfield & Co. | 100.76 |
| 11. | R. A. Daly & Co. | 100.69 |
| 12. | A. E. Ames & Co. | 100.59 |
| 13. | Isard, Robertson & Co. | 100.492 |
| 14. | C. H. Burgess & Co. | 100.53 |
| 15. | Milner, Ross & Co. | 100.47 |
| 16. | Dyment, Anderson & Co. | 100.47 |
| 17. | Matthews & Co. | 100.387 |
| 18. | Stewart, Scully & Co. | 100.383 |
| 19. | Harris, Mackeen & Co. | 100.36 |
| 20. | Fry, Mills Spence & Co. | 100.351 |
| 21. | Cochrane, Murray & Co. | 100.277 |
| 22. | J. S. Forgie & Co. | 100.23 |
| 23. | Rogers, Punchard, Lynch & Co. | 100.21 |
| 24. | Gairdner & Co. | 99.772 |

**HUNTSVILLE, ONT.**

A. E. Ames & Co. has purchased privately $43,500 6 per cent 20-installment debentures of the Town of Huntsville, Ont. The issue was offered at 101½ and is understood to be all sold.

**MOUNT ROYAL, QUE.**

Credit Anglo-Français Ltd. has purchased $45,000 6 per cent 7-year serial debentures of the school municipality of Mount Royal, Que., at 98.12; a cost basis of approximately 6.36 per cent. Dminion Securities Corp bid 97.08.

**GLENCOE, ONT.**

Midland Securities Corp. has purchased privately $28,500 6 per cent debentures of the Village of Glencoe, Ont. The debentures are dated April 1, 1932, and mature April 1, 1962. Offering was made at par and accrued interest.

## Bond Redemptions

| Bond Issues— | Rate | Due | Redeem. | Price |
|---|---|---|---|---|
| Northern Electric | *5% | 1939 | Dec. 1 | 105 |
| Dominion Glass | *6% | 1933 | Dec. 2 | 110 |

*Called in part.

## Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

| Company | Year End | Net Income 1932 $ | Net Income 1931 $ | Common earnings 1932 $ | Common earnings 1931 $ | Curr. divid. $ | Balance car. fwd. $ 1932 | Balance car. fwd. $ 1931 | Mkt. | Mkt. times earn. | % Yield |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Federal Grain** | July 31 | *15,982 | 213,646 | ... | 0.09 | ... | 466,608 | 482,590 | ... | ... | ... |
| **Reliance Grain** | July 31 | 2,276 | 165,018 | ... | 0.35 | ... | 796,354 | 925,927 | 9½ | ... | ... |
| N. Bawlf Grain Co. | July 31 | 1,112 | 135,994 | ... | ... | ... | 432,793 | 431,682 | ... | ... | ... |
| **Midland** & Pacific Grain Co. | July 31 | 195,455 | 136,042 | 1.62 | 1.02 | ... | 250,915 | 1,013,860 | ... | ... | ... |
| **Niagara** Wire Weaving | Mar. 31 | 108,919 | 128,824 | 1.15 | 1.57 | ... | 14,753 | 18,459 | ... | ... | ... |
| **Tooke** Brothers Ltd. | June 30 | *156,299 | *41,578 | ... | ... | ... | 117,387 | 258,937 | ... | ... | ... |
| **Lake** Shore Mines | June 30 | 7,797,011 | 4,505,601 | 3.90 | 2.25 | 2+50 | 4,529,509 | 2,732,498 | 28½ | ... | ... |
| **Calgary** & Ed. Corp. | June 30 | 85,231 | 85,143 | 0.035 | 0.035 | ... | 291,879 | 206,658 | 40 | ... | ... |
| **British** Columbia Power | June 30 | 2,009,339 | 2,436,816 | ... | 0.22 | ... | 1,472,112 | 1,462,773 | 5½ | ... | ... |

*Deficit.

## Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

| Municipal— | Date Sold | —Sold To— | Rate | Maturity | Amount | Price | Basis |
|---|---|---|---|---|---|---|---|
| Sch. Mun. of Mount Royal | Sept. | Credit Anglo-Français | 6% | 7-yr. ser. | $45,000 | 98.12 | 6.36% |
| St. John's, Nfld. | Sept. | | 6% | 1947 | 500,000 | 100 | 6% |
| Middlesex Cty., Ont. | Sept. 20 | Midland Securities Corp. | 5½% | 15-ins. | 62,000 | 102.06 | 5.18% |
| Huntsville, Ont. | Sept. | A. E. Ames & Co. | 6% | 20-ins. | 43,500 | *101.5 | ..... |
| Provincial— | | | | | | | |
| Manitoba | Sept. 21 | Wood Gundy & Co., Dominion Securities Corp., A. E. Ames & Co., Royal Bank, Canadian Bank of Commerce, McLeod, Young, Weir & Co., Bell, Gouinlock & Co., Fry, Mills, Spence & Co. | 5½% | 1955 | 4,000,000 | 96¾ | 5.77% |

*Offering price.

## DOMINION GAS LOANS IMPERIL BOND INTEREST

### Receivers' Report on Parent Company Shows Near Default

### EARNINGS HIGHER

### American Commonwealths Still Owes Canadian Company $212,036—Bank Loan Down

While gross and net earnings of Dominion Gas & Electric Co. have shown continued increase over previous periods and the statement for the six months ended June 30, 1932, is no exception, the position of the company with respect to the parent company, American Commonwealths Power Corp., has never been made clear to Canadian investors and the first report of the receivers for American Commonwealth throws the first clear light on intercompany loans. The receiver indicates that loans made by Dominion Gas to American Commonwealths Power seriously imperilled payment of interest due on the Dominion Gas bonds and notes due last January.

Gross operating revenue of Dominion Gas & Electric Co. and its subsidiaries was $2,619,162 in the six months ended June 30, 1932, which compares with $2,316,532 in the first half of 1931. Operating expenses and taxes were higher but maintenance charges were somewhat reduced and after an increase in non-operating income the company had $1,320,647 for interest and depreciation, as against $1,155,600 in the six months ended June 30, 1931. After paying interest and dividends on securities of subsidiary companies, Dominion Gas & Electric earned interest charges 2.12 times after depreciation, as compared with 1.85 times in the first half of 1931.

The income and surplus account of the company in the first half of 1932 and 1931 is as follows:

| | 6 Mos. End 1931 $ | June 30 1932 $ |
|---|---|---|
| Gross oper. rev. | 2,316,532 | 2,619,162 |
| Oper. exps. | 863,291 | 1,003,418 |
| Maintenance | 122,444 | 101,354 |
| Taxes other than Dom. inc. taxes | 132,894 | 163,290 |
| Dom. inc. taxes | 42,302 | 75,000 |
| Net oper. inc. | 1,155,600 | 1,276,099 |
| Non-oper. income | 30,873 | 44,548 |
| Gross income | 1,186,474 | 1,320,647 |
| Prior chgs. of subsids.: | | |
| Int. on funded debt | 125,503 | 119,321 |
| Int. on unfund. debt. | 25,847 | 33,018 |
| Prem. on U. S. exch. | ...... | 21,980 |
| Divs. on pref. stks. | 125,262 | 121,354 |
| Depreciation | 240,135 | 248,573 |
| Amortization | 1,662 | 1,927 |
| Min. int. in earnings of subsidiary | 19,721 | 25,052 |
| Bal. avail. for int., divds., amort. and Dom. & Fed. income taxes of Dom. Gas & Elec. Co. | 648,341 | 749,413 |
| Dom. Gas & Elec. Co.: | | |
| Int. on fund. debt | 350,000 | 350,000 |
| Int. on unfund. debt | ...... | 3,078 |
| Amortization | 59,337 | 61,400 |
| Balance | 239,004 | 334,939 |
| Divs. on 1st pref. stock paid & accr. | 87,500 | ...... |
| Net inc. for period | 151,504 | 334,939 |

Dominion Gas & Electric Co. is controlled by American Commonwealths Power Corp. and was formed in June, 1930, to acquire and hold properties formerly operated by International Utilities Corp. in Western Canada. The operating of subsidiaries of Dominion Gas include Canadian Western Natural Gas, Light, Heat & Power Co., Edmonton Utilities Ltd., Canadian Utilities Ltd., Nanaimo Electric Light, Power & Heating Co., Union Power Co., Duncan Utilities Ltd., and others. In some of these companies there is a substantial direct public interest, while securities owned by Dominion Gas & Electric in its subsidiary companies is pledged as security for the first lien and collateral 6½ per cent bonds of Dominion Gas, of which there is $8,000,000 outstanding.

American Commonwealths Power Corp., the parent company, has been in receivership since December, 1931, and the receivers have recently submitted the report of their activities during the first half of 1932. Canadian investors will read with much interest the section of this report pertaining to Dominion Gas & Electric which is regarded as being an important unit in the American Commonwealths Power system. At the end of 1931, American Commonwealths Power was indebted to Dominion Gas & Electric Co. to the extent of $396,000 for advances, a portion of which was represented by notes and the rest by open accounts. As security American Commonwealths Power had deposited 10,000 preferred shares of American Gas & Power Co.

Interest on $8,000,000 of first lien and collateral bonds and $3,000,000 of 6 per cent notes of Dominion Gas came due on January 1, 1932, and because of advances to the parent company Dominion Gas & Electric did not have sufficient funds to meet these interest charges. To meet its obligations Dominion Gas had to borrow $98,127 from outside sources and take advantage of the period of grace provided when the notes were issued. This loan was due April 1, 1932, together with interest on the $3,000,000 of notes and the only avenue of relief for Dominion Gas & Electric was through the receivers of the parent company. The receivers in order to retain their equity in Dominion Gas provided securities to the latter company and were credited with $190,352, leaving an indebtedness of $212,036 still owing. To cover this liability Dominion Gas took notes dated April 11, 1932, which mature on December 31, 1932.

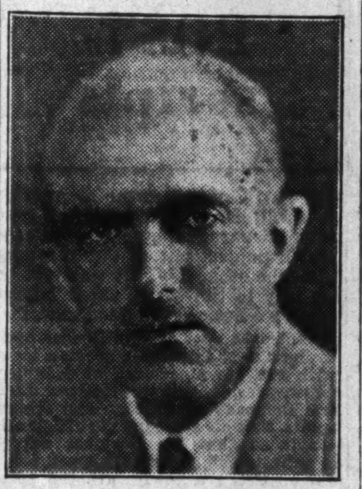
Bank loans of Dominion Gas & Electric Co. are shown at $759,175 at June 30, 1932, a reduction of $127,325 from loans at December 31, 1931. The receivership estate of American Commonwealths Power Corp. owns 28,243 shares of second preferred stock of Dominion Gas, or 67 per cent of the total, and 346,800 shares of the common stock which is 58 per cent of the total. In addition there is held jointly with American Commonwealths Power Associates, an affiliate, 18,000 shares of first preferred stock out of a total of 25,000 shares, and 23,750 shares of common stock.

## Dominion Park Co. Stockholders to Meet

From Our Own Correspondent

MONTREAL.—A special general meeting of the shareholders of the Dominion Park Co. has been called for October 3 in Montreal. Discussion will determine the steps which shall be taken to meet conditions which have arisen out of an unsatisfactory operating season.

## Montreal Manager



MURRAY R. CHIPMAN

Who has been appointed Montreal manager of The MacLean Publishing Company, Limited. Mr. Chipman will also continue as eastern manager of The Financial Post. Mr. Chipman has been associated with The MacLean Publishing Company, Limited, for ten years. He is a native of Nova Scotia and a graduate of Acadia University and served overseas with the 85th Battalion, Nova Scotia Highlanders.

## Claude Neon Advertising Form Acceptance Subsidiary

From Our Own Correspondent

MONTREAL.—Federal incorporation papers have been granted to the Claude Neon Acceptance Co., with a capital stock consisting of 500 shares of no par value and head office in Montreal. The power of the company, as granted by the letters patent, cover a wide range of activities in the financial field. The operation of the company are to be carried on throughout Canada and elsewhere.

Claude Neon Acceptance Co. is a subsidiary of Claude Neon General Advertising Co., and it is understood that the new concern will handle the "acceptance paper" of the parent company, a step which will facilitate banking operations.

## National Breweries Markets New Product

From Our Own Correspondent

MONTREAL.—National Breweries new yeast manufacturing and packaging plant is in full operation and distribution of the yeast flakes, under the name of N. B. Yeast Flakes, is going forward. Harold B. Ritchie and Co. is handling sales.

Officials state it is yet too early to estimate what dealer results are being obtained. Complete coverage of Canada has not been achieved; arrangements for marketing are gradually extending westward.

Successful results might eventually have a tangible effect on earnings of National Breweries, for sale of its yeast constitutes the profitable use of a by-product.

ANALYSES AND TESTS

ARE THE ONLY STATISTICS THAT MEASURE THE QUALITY AND SERVICE VALUE OF YOUR PRODUCTS BEFORE THE USER FINDS THEM OUT. THE LABORATORY IS YOUR PROVING GROUND.

MILTON HERSEY
COMPANY, LIMITED
INDUSTRIAL CHEMISTS AND ENGINEERS
MONTREAL - WINNIPEG

## ALEXANDER BLDG. DEFAULT INTEREST

### May Reorganize on a Lower Basis of Interest Charges

From Our Own Correspondent

MONTREAL.—Alexander Building Corp. is the latest real estate venture in Montreal to join the ranks of those who have failed to earn sufficient revenue to pay interest charges.

A letter has been despatched by Nesbitt, Thomson and Co., which originally offered the bonds, to all bondholders saying that they have been informed by the company that there is not sufficient funds to pay the coupon due on October 1 on the 6 per cent first mortgage bonds, due October 1, 1947. Accordingly the company has been forced to default.

**Expect to Offer Plan**

The position of the company is now being studied and will be reported upon to a meeting of the bondholders in the near future. At that time it is expected that a plan of reorganization will be submitted, which will provide for concessions on the part of the bondholders as it is claimed that the company can only meet interest charges in part and cannot do so in full.

The original offering of the first mortgage bonds amounted to $2,000,000. The last report indicated bonds outstanding to a total of $1,978,000.

INVESTMENT SECURITIES

The National City Company
Limited

360 St. James St.
MONTREAL

320 Bay Street
TORONTO

Advisory Board
Sir Charles B. Gordon, G.B.E.
Sir John Aird
W. A. Black
A. J. Brown, K.C.
Wilmot L. Matthews
F. E. Meredith, K.C.
Lt.-Col. Herbert Molson, C.M.G., M.C.
W. N. Tilley, K.C.
The Hon. J. M. Wilson

600

## Winnipeg Electric Co. Earning Trend Easier

From Our Own Correspondent

MONTREAL. — Winnipeg Electric Co. reports gross earnings in July last of $408,840, as compared with $436,252 for the same month a year ago. Working expenses at $282,662 were down $12,831 with the result that net earnings amounted to $126,178, down from $140,759 a year ago.

For the first seven months of the current year aggregate gross earnings totalled $3,319,110, a decrease of $93,634 against the same period last year. Substantial reductions in operating and working expenses, however, resulted in an increase of $86,278 in net earnings, which amounted to $1,217,517.

## Anglo-Newfoundland Co. Double Pulpwood Moved

From Our Own Correspondent

MONTREAL. — Anglo - Newfoundland Development Co. has agreed with the Newfoundland Railway to double the amount of pulpwood moved from Terra Nova and vicinity in 1933 that it did in 1932. Last year 10,000 cords were moved and next year 20,000 cords will be shipped. The company's facilities for loading were increased toward the end of this season's shipping, thus enabling the loading of 32 cars daily instead of 16.

INVESTMENT SECURITIES

T. M. BELL & COMPANY
LIMITED

Head Office:
SAINT JOHN, N.B.
Moncton Fredericton

1832-1932

This advertisement is one of a series commemorating the hundredth anniversary of The Bank of Nova Scotia

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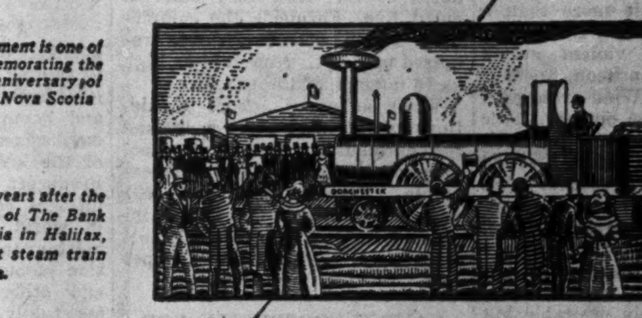
When Trains were still Dreams of the Future

Today transportation facilities of all kinds have developed to an extent far beyond the dreams of the promoters of the first steam railroad. The facilities of The Bank of Nova Scotia have developed correspondingly. A small local bank one hundred years ago it now serves industry and enterprise with a Coast to Coast system of Branches in Canada, world-wide old established banking connections and ample resources to meet the needs of modern business.

A CENTURY OF BANKING SERVICE

The BANK of NOVA SCOTIA



*New Issue*

$4,000,000

Province of Manitoba

5½% Sinking Fund Debentures
(Non-Callable)

Dated October 1st, 1932 Due October 1st, 1955

Principal and half-yearly interest (October 1st and April 1st) payable in lawful money of Canada at The Royal Bank of Canada in Toronto, Montreal, Winnipeg, Regina, Vancouver or Saint John, N.B.
Denominations: $500 and $1,000. Debentures may be registered as to principal.

Legal Opinion: E. G. Long, Esq. K.C.

These Debentures are a direct obligation of the Province of Manitoba and are payable, principal and interest, from the Consolidated Revenue Fund of the Province. Proceeds of this issue will be used to refund maturing Treasury Notes which, in turn, refunded debentures issued for good roads, telephones and public buildings.

An annual Sinking Fund of ½ of 1% will be established against this issue.

Information regarding the financial position of the Province will be found in the official circular which is available upon request.
We offer these Debentures if, as and when issued and accepted by us, subject to the approval of Counsel.
Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close subscription books at any time without notice.
It is expected that Debentures in interim form will be ready for delivery on or about October 5th, 1932.

Price: 96.75 and accrued interest, to yield over 5.75%

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The Royal Bank of Canada
The Canadian Bank of Commerce
Bell, Gouinlock & Co. Limited
McLeod, Young, Weir & Co. Limited
Fry, Mills, Spence & Co. Limited

The information contained in this advertisement is based upon statements on which we have relied. We do not guarantee but believe the statements herein made to be true.

# THE FINANCIAL POST

Member Audit Bureau of Circulations

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TORONTO, SEPTEMBER 24, 1932

## PUBLIC SWINGS AWAY FROM SOCIALISM

IT IS only a little more than a year since the Border Cities Star published a most violent attack upon an after-luncheon speaker who, in the city of Windsor, argued that a reaction from our socialistic tendencies in government and business was necessary before a sound basis could be laid for recovery. We are glad then to report the conversion of that important journal to the cause of less bureaucracy and less taxation. It says: "An all-around decrease in governmental spending is not only desirable but imperative. People must get into the habit of looking after themselves more and leaning on the government less."

This puts a notable truth exceedingly well.

But an even more amazing performance is that of the Winnipeg Free Press, which for years leaped from one progressive precipice to another until it got itself high into the cloudlands of civil service socialism. The Free Press has had more novel suggestions for new ways that governments could spend money and invade the private affairs of the citizenry than most other papers in Canada, outside of the Communist organs. But now the Free Press finds it necessary to attempt the task of defining the limits of government.

To the Free Press the reason for rising taxes is easy to find. The explanation is "simply that for many years government has been regarded as an omniscient influence whose duty it is to interfere as extensively as possible in every phase of life." In the view of the Free Press, "government is now mixed up disastrously with the natural activities of the country, and the more government blunders, and the worse conditions become as a result, the more urgent is the public demand for further governmental interference."

The Free Press feels that the people who have voted the governments into office are to blame. This is in large measure true but it does not get us very far to blame rising taxation on modern ideas of democracy and to let it go at that. The first function of our political leaders, in or out of government, should be to provide leadership instead of allowing themselves to be pushed around by demagogues, ward politicians and bureaucrats whose propaganda has made the public think it wanted things to which it really had given no adequate study at all. And is it not the function of the leading newspapers of the country to help form an intelligent and reasonable public opinion instead of complaining that the public falls for a lot of notions that are thoroughly unsound?

All over Canada business men, political leaders and newspapers are coming around to the doctrine that The Financial Post has preached so long, namely that the real underlying cause of super-taxation in Canada is the extension of government into numerous fields that it should never have invaded. As the idea gains currency we may see a reaction against what Premier Taschereau of Quebec calls "the trend to socialism," and the reestablishment of our national life on a sounder basis.

## URGES BRITAIN PUT ON MEAT DUTIES

ON HIS return to London, the Rt. Hon. L. S. Amery, a former secretary of state for the Dominions, has given to the London Times his comments upon the Imperial Economic Conference. Mr. Amery is a strong protectionist and advocate of Imperial preference, and this is reflected in his criticism of the failure of the British delegation to "come through" with the promised preferences on meats.

Mr. Amery scores a telling point when he points out that in the agreement between the British and Australian governments it is openly avowed that it is essential to take whatever steps may appear feasible to raise the wholesale price of meat in the United Kingdom market, and that in spite of this statement the delegation declined to put a duty on meat.

Mr. Amery points out that the agreement with the Dominion provides for creating an artificial scarcity of meat in the Old Country that will raise the price. This, he points out, will be entirely at the expense of the consumer, whereas the duty on meat would have been, in the long run, at the expense of the foreign producer.

The British agriculturists and their representatives went out to Ottawa with a definite mandate to demand a duty on meat. They had been given no reason to believe that its advocacy might embarrass the United Kingdom delegation. At the critical, final stage of the conference they found themselves in the uncomfortable dilemma of either having to neglect the interests they had been sent out to defend or being liable to be regarded as interlopers.

Mr. Amery considers that there is no reason why the imposition of a duty on foreign meat should await further negotiations between the Empire governments. It should be imposed, together with a preference to Imperial meats, without further bargaining, in his opinion. He calls upon the Chancellor of the Exchequer to show the same courage and decision in this matter as he recently showed in his dealing with the war loan.

Mr. Amery is, on the whole, very hopeful that the Imperial Conference has put the Empire on the right road.

## CROWDING OUR SCHOOLS

BETWEEN 1921 and 1931 the population of Canada increased by 20 per cent in the age classes five to 24. During the same period the number of school attendance increased by 26 per cent. Here we have one important reason for rising school costs. Formerly youngsters started to school at about seven. Now they start at about five. Formerly the compulsory school attendance was required up to 14. Now it is as high as 16 in some of the provinces.

What advanced school regulations can do in creating a demand for enormous investments in school property is shown by Ontario's example. Between 1921 and 1931 population between five and 24 increased only 17 per cent; school attendance increased by 27 per cent.

## SAVING PROSPERITY FOR BRITAIN

IT CANNOT be too strongly emphasized that the chief beneficiary of any scheme of Empire preference must be Great Britain. Economic solidarity in the Empire is essential to the early prosperity of Britain.

Those propagandists at Ottawa who tried to make the Dominions feel that they should be prepared to pay high prices for the slightest crumbs from the United Kingdom tariff table were attempting effectively to conceal the fact that success at Ottawa was almost a matter of economic life or death to Britain.

The truth of this is recognized by Sir Charles Hipwood, director of the National Union of Manufacturers of Great Britain, who writes:

> "The United Kingdom has regained its power of bargaining and has acquired Dominion status. It has been able to do business on equal terms with the Dominions, and the business so far done seems to be a very promising beginning. The fact is recognized that we are a struggling population of some 40 odd millions in an island in the North Sea, and we have at last begun to do real business with our colleagues in the other parts of the British Commonwealth. Neither they nor we are to be any longer hampered by the old metaphorical notion of mother and daughters."

With reasonable extensions in the years to come the Ottawa agreements may indeed rebuild British prosperity. We in the Dominions will also gain renewed purchasing power as our share of the benefits.

## THE REAL SABOTAGE

THE very sparkling headline "Sabotage in the Canning Industry" is penned by the Toronto Star above an article in its paper which expresses the shock felt by the writer when he discovered from The Financial Post that the canners of Ontario were attempting to curtail production in order to move their excess stocks, liquidate their debts and keep themselves from the financial ruin that another surplus pack would have brought them to. Comment is made on the shamelessness of the admission that an industry producing a food product would take steps to curtail production when thousands of people are starving.

If millions of unemployed men and women are in distress in this world it is not because of any shortage of food or supplies. It is because of the breakdown of the delicate factors that normally maintain balance between supply and demand and between real values and paper values. If the canning industry can put itself in healthy condition it will be able to do its part to increase prosperity and employment and thus relieve the distress now apparent everywhere.

The Toronto Star writer urges that Communism does not constitute as great a menace as the power which is at present at work in curtailing the food supply of the people. The "power" referred to is obviously that of the banks who are, by inference, accused of having deliberately brought on the depression by a relentless process of unnecessary deflation.

All such writers as the one from whom the quotations are made seem to think that all the world needs for prosperity is credit inflation. Opinions of the greatest economists differ as to the exact sequence of events in the monetary causation of the crisis. A strongly held view is that the vast world-wide credit inflation of the years 1894 to 1913, supplemented by the unprecedented war and post-war inflation so reduced the purchasing power of money — whether in the form of gold, paper money, cheques, credit, bonds or even savings deposits, that the saver was robbed of the product of his thrift and the worker of a large part of his real wages. Inflation outran the consumption needs of the world and eventually had to be brought under control—not by bankers, who were as guilty and almost as helpless as any one in the inflation process—but by natural and tireless economic forces.

In any event, all are agreed that the varying value of money, when super-imposed upon the varying value of gold, is the key problem of the world today. This is an international monetary problem and most of the confusion in our economic thinking has been caused by discussing it as a domestic banking problem, which it is not.

The bankers and the canners are the victims of what has taken place just as are the unemployed workers who will find new jobs only when the economic balance wheel is set spinning again.

In a better relationship between paper values and real values and in a better balance between consumption and production, the world will find the means to bring those who have, or can produce, food or merchandise in closer contact with those who want to buy. This means more jobs, more prosperity and more wealth and happiness all around.

The saboteurs of world prosperity are the war-makers and politicians who ruined the system of international exchange.

The world need not worry about a shortage of food but it may well worry about the panaceaists whose schemes would prevent the early return of the day when those who need food will have the purchasing power to buy it.

## A FREE MARKET

SEEMING impossibility of maintaining commodity prices at a level higher than the law of supply and demand justifies, is further emphasized by the announcement of the break in newsprint prices. Producers of rubber, tin, camphor, nitrates, coffee and other products in world demand, have tried to bolster up prices through restriction of output, limited marketings and other artificial means, but eventually such restraints have collapsed and the market allowed to adjust itself.

For more than a year interests concerned with the welfare of the newsprint industry have done their best to keep the price of paper from falling. Such action undoubtedly prevented a general demoralization of the market, but economic pressure, as it always does, has broken through the artificial barriers and brought the price of newsprint down to a level warranted by market conditions.

It is difficult to say at this time what will be the outcome of the readjustment of newsprint prices. That it will go hard with many companies is not to be gainsaid. On the other hand, no permanent recovery of the newsprint industry is possible as long as normal marketing procedure is hampered. Some of the weaker companies may go to the wall, but the remainder in time will strengthen their position and bring back to the industry that measure of prosperity it enjoyed before the era of unsound expansion began in 1926.

## SCHOOL COST PROBLEM UP TO PROVINCES

THE chief reason why school cost taxes have risen at such a rapid rate in Canada is that provincial departments of education have been raising educational standards every year without regard to the possible limits of the taxpayer's purse. There are other reasons but primarily the provinces have called an expensive tune and have not only increased their own taxes to pay their share of the educational bills but they have required the municipalities to pay a larger share of the piper's fee.

In the series of articles on costs of government in Canada that The Financial Post ran last winter there was a comprehensive summary of rising educational costs and examples were cited of provincial regulations that have increased taxes out of all reason. In most cases these regulations were put into force at the behest of educationalists who knew a theoretical maximum about teaching the youth of the land but a practical minimum about the economic pressure of high governmental costs.

This week The Post publishes an article by Victor Lauriston, the well-known Canadian author, who tells some things he has learned about school costs during his publice service in his home city of Chatham.

Mr. Lauriston attempts to find a solution of the problem of controlling school expenditures. At present control falls between the three stools of provincial regulation, school board management and municipal council tax collection. He proposes that a fixed allotment so much per capita, so much per pupil or so much per dollar of assessment — be established for school expenditure. Any expenditures above the allotment would have to be viséd by the town or city council. The plan has some weaknesses. The allotment would no doubt be fixed by provincial governments who would take the advice of the very theorists who now run their educational departments and impose onerous burdens on school boards everywhere.

The real remedy lies in closer study of the whole problem of education by members of provincial parliaments so that they may themselves bring under control, by legislation and through departmental routine, of the constantly advancing rule of free and faddist education that has gone beyond the simple needs of a young country.

According to the New York Times, Gananoque is "not far north of the St. Lawrence River." Truth will out.

# POST-scripts

IN CASE you feel the depression is still hanging around, just read the first paragraph of news release which popped out of our morning mail the other day. It was just on its way to the waste paper basket when we noticed the good news:

> "A bright spot of significance came to light in the business horizon today with the announcement of Max McGraw, president of the McGraw Electric Company of Chicago and Minneapolis, that his company is sufficiently convinced that the business upturn is definite and as a result it will bring out on Oct. 1 a newly invented automatic electric toaster which it will market throughout the country."

SPEAKING in Toronto, Viscount Hailsham referred to the justifiable pride that all Canadians must feel in that splendid ship the Empress of Britain. All over the world, the fame of the Empress has gone and the world cruise it took last year brought prestige to Canada's most important single company, the Canadian Pacific Railway.

In the annual report of the Suez Canal Company we find a reference to the Empress. Freely translating the remarks of the president from the original French, we find that he took considerable pride in the fact that the Empress of Britain, while on a world cruise, passed through the Suez Canal during the past year, and set a new record in size for vessels using the canal. He pointed out that in the whole world only eight boats exceeded the tonnage the Empress' 42,672 tons, and that all of these vessels are engaged in trans-Atlantic navigations.

As the average toll charged for passing through the canal was 30 francs per ton last year, or about $1.20, it would appear that the Empress must have paid something like $50,000 just to travel the short journey from the Mediterranean to the Red sea (or was it vice versa?)

THOSE who don't read the Canada Gazette regularly may think the summoning of Parliament to be a comparatively simple thing.

Here (in part) is how it has to be done, officially:

> "Whereas Our Parliament of Canada was summoned to meet on the twenty-fourth day of the month of September, 1932, at which time at Our City of Ottawa, you were held and constrained to appear. Nevertheless, for certain causes and considerations, We do Will, by and with the advice of Our Privy Council for Canada, that you and each of you, be as to Us in this matter entirely exonerated, Commanding, and by the tenor of these Presents enjoining you, and each of you, and all others in this behalf interested, that on THURSDAY, THE SIXTH day of the month of OCTOBER next, 1932, at Our City of Ottawa, aforesaid, personally you be and appear, for the DISPATCH OF BUSINESS, to treat, do, act and conclude upon these things which in Our said Parliament of Canada, by the Common Council of Our said Dominion, may by the favour of God be ordained.
>
> "In Testimony Thereof, We have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed. Witness: The Right Honourable Lyman Poore Duff, One of the Judges of the Supreme Court of Canada and Deputy of Our Right Trusty and Right Well-beloved Cousin and Counsellor, Vere Brabazon, Earl of Bessborough, a Member of Our Most Honourable Privy Council, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, formerly Captain in Our Territorial Army, Governor-General and Commander-in-Chief of our Dominion of Canada.
>
> "At Our Government House, in Our City of Ottawa, in Our said Dominion, this thirteenth day of September, in the year of Our Lord one thousand nine hundred and thirty-two and in the twenty-third year of Our Reign.
>
> "By Command, etc."

HOW many people are influenced in their book buying by the name of the author? There are few who would care to admit that the name on the title page has any influence, but would admirers of Gabriele d'Annunzio buy the works of G. Rampagnetto? Yet they are one and the same. Other famous writers have been given to the use of pseudonyms. Take the case of W. S. Gilbert, of Gilbert and Sullivan fame, who wrote under the pen name of Bab, or Charles Dickens who signed some of his stories with Boz. Tom Brown, of Rugby, was known in real life as Thomas Hughes. Mrs. Savage wrote under the pseudonym of Ethel M. Dell, while the Rev. C. Lutwidge Dodgson wrote the charming phantasy known as Alice in Wonderland. How many people introduced to Alexel Maximovich Pyeshkov would know they were in the presence of Maxim Gorky. Henry W. Longfellow's imagination is to be seen in his nom de plume of Hans Hammergafferstein, while Mathew Arnold went even further and signed his work with the name of Arminius von Thunderten-tronckh.

Before collectors were willing to pay for his autograph, George Bernard Shaw signed some of his work with the commonplace name of Redbarn Wash. Jules Verne's works would probably not be so popular today if he had used his legal name of M. Olchewitz. Both Sir J. M. Barrie and Sir Walter Scott were given to the use of pseudonyms, the former having written under the name of Gavin Ogilvy, and the latter, Peter Pattison. W. A. Dunkerley is known in the literary world as John Oxenham, while Cecily Fairfield has sold tens of thousands of her books under the pen name of Rebecca West. All of which adds further fuel to that time honored question —What's in a name?

# The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

### U. S. ELECTIONS

EXULTANT over their triumphs in Maine, Democrats are forecasting certain victory after a close race in the presidential campaign across the border. Maine, rock-ribbed Republican state, turned out strongly to vote Democratic. The result can be explained in many ways but the Republicans can extract little comfort from any of the explanations. Even if the Maine vote were not significant as a forecast of what may happen in the national election it is valuable to the Democratic cause in stimulating their efforts and in depressing Republican hopes. Up to the day of the Maine vote it was probably safe to forecast Hoover's return by a small majority. Temporarily this forecast has been upset and it is, for the moment at least, anybody's race.

* * *

WRITERS of brokers' letters seized on the Maine election overturn as an excuse to offer for the sudden decline in the stock market. This was more or less childish as the drop in the market had developed before the results were known Maine went to the polls and was called for on technical if on no other grounds. The theory is widely held in the United States that a Republican administration is good for prosperity and a Democratic administration is dangerous to business. Republicans have assidously spread propaganda designed to cultivate this idea and of course the high tariff industralists have also kept it going the rounds.

The Democrats, traditionally, are more liberal minded than the Republicans, are more receptive to new notions and economic experiments and are, according to the business viewpoint, more likely to upset trade and finance by experimental legislation. But reviewing the Hoover record of government in business, it is hard to see how the Democrats could go much further in socialization without setting up a Soviet.

No matter which party wins, business currents in the United States are likely to continue to be dominated by foreign influences, modified only to the extent that internal reconstruction schemes and home psychology can do it. In this connection, it should not be forgotten that the biggest of the Democrats are all active in the various reconstruction organizations.

# New Books

### "The Crisis in the World's Monetary System"

Probably the most notable thing about the leading economists today is that they disagree to such an extent with one another. The amateur economist—and we are all such nowadays—is to be forgiven if he considers his own ideas worthy of the attention of any person he can buttonhole for a fifteen minute debate, for the greatest of the professionals argue publicly with one another and arrive at few conclusions upon which all will agree.

Prof. Gustav Cassel has for many years been regarded as one of the best economic thinkers of Europe. He was selected to deliver the Rhodes Memorial Lectures of 1932 at Oxford. These lectures, three in number, have been reprinted in a small but exceedingly interesting book. The lectures discuss the breakdown of the gold standard and present an outline of what Prof. Cassel considers to be the essential ingredients of a situation that would permit that international monetary standard to be restored. The gold standard failed us because we did not recognize the difference between the value of gold and the value of money. The two got out of alignment as a result of a world race for gold and political barriers to monetary adjustment, of which reparations and war debts were most notable, contends Prof. Cassel.

While the world has been enjoying an increasing supply of gold it has not had a sufficient annual increment to support the price level without more economical use. Instead of broadening out monetary policy, through inflation to avoid the collapse of prices and the world economic crisis, we have pursued policies that led to inevitable deflation and a complete upset of the world's economic system. Prof. Cassel suggests policies to end the deflation.

"The Crisis in the World's Monetary System" is published by the Oxford University Press, 128 University Avenue, Toronto, at $1.35.

### Economic Welfare of the Maritimes

Much is heard about Maritime "rights" and problems, but strangely enough very little has been done toward fundamental and exhaustive economic analyses of the underlying problems of these three provinces.

"Economic Welfare of the Maritime Provinces," by S. A. Saunders, which won the prize essay of $1,000 offered by Acadia University and which has been published in book form is, to use the words of Professor A. B. Balcom of the Department of Economics at Acadia University, "by far the most comprehensive study of economic conditions in the Maritimes, that has yet been made." As is pointed out in the foreword to this important edition to Canadian economic bibliography, even the famous Duncan Commission on Maritime claims whose scope of enquiry was the broadest of various commissions which have investigated particular aspects of Maritime conditions, confined its investigation to the valuation of specific claims without studying the reasons behind the outstanding fact "that the Maritime Provinces have not prospered and developed even in population or in commercial, industrial and rural enterprise as fully as other portions of Canada."

Mr. Saunders has made a good factual survey of the natural resources of the province, the extent to which they have been developed and the difficulties encountered, with some comment as to present problems and prospects for further profitable exploitation. His study demonstrates clearly the need for further intensive work in regard to Maritime economic history and the need for the Maritimers taking the initiative toward the proper study and appreciation of the vital economic forces which have played such a large part in their history in the past and which, if they are understood and appreciated, will enable a straight-forward and proper course to be set for the future.

Maritimers and students of Canadian economic history will find much valuable ground covered by this study. It is published at Wolfville, N.S., and is apparently available through the Acadia University.

### Fire Insurance

This is the title of what is described as a hand book for property owners edited by James R. Wright containing 160 pages of answers to the sort of questions which the man in the street is prone to ask about his fire insurance policy and about which it is so difficult in many cases to get a simple, non-technical answer.

The student of insurance as well as the majority of fire insurance underwriters should find it extremely valuable. It should assist the latter to put concisely before clients and enquirers many of the important yet difficult angles of the business which laymen find it so difficult to appreciate.

The executive of the industrial corporation carrying large policies and who is anxious to have a working knowledge of the all important fire insurance contract should also find it valuable.

Published by Sir Isaac Pitman & Sons (Canada) Ltd., Toronto, at $1.50.

### World Economic Survey, 1931-32

While it loses considerably in interest by closing at the middle of July, or before the present upward trend in commodity prices started and before results of Lauzanne and the Ottawa Conference were available, the first annual World Economic Survey of the League of Nations has a definite place in current economic literature.

Perhaps its chief value is that it provides a bird's eye view of economic developments in the world as a whole in a single volume and while illustrations are drawn from various groups of countries, the description throughout is of world problems and world tendencies.

J. B. Condliffe, formerly of New Zealand and professor of economics at the University of Michigan, U.S.A., is responsible for the interpretation of the data which has been collected by the Economic Intelligence Service of the League of Nations, the object being to put into intelligible form for the lay reader the technical information gathered by the Intelligence Service.

A survey of the background of the depression, particularly the elements of instability, it dealt with in the first chapters, the dislocation of the war period, the changed distribution of income and the relation of the credit expansion of 1925-29 to the movements of capital being particularly stressed.

Development of the depression in its various aspects is subject of the next group of chapters, the financial crisis and the abandonment of the gold standard being the subject of separate chapters. The movement of prices during the depression is completely surveyed as are the banking and credit situation and wages, employment and labor conditions during the depression.

The strain placed on public finances and the development of commercial policy toward increasing measures of trade restriction provide the subject for the next two sections. The final chapter surveys the position that existed in July, 1932, and the various international measures under consideration as a means of escape from the crisis.

The publication can be obtained through the League of Nations Society in Canada, 389 Wellington St., Ottawa.

# Other People's Views

### Exploiting Optimism

New Zealand Financial Times; Quite a number of daily papers are endeavoring by news notes and appropriate cartoons to exploit the little optimism that is current, and they are to be commended for doing so, nevertheless, it will be a good many months before optimism pervades the community. We can congratulate ourselves that New Zealand is not like other countries, it is more fortunate and is alleged not to be feeling the slump like the rest of the world. If the slump is more severe in other countries than it is here, then it must be pretty bad elsewhere. That we are more fortunate than other countries is just eye-wash.

### Aerial Photography Extensive

Since 1922 a total area of 402,500 square miles has been covered with aerial photography comprising 125,000 square miles by vertical photographs and 277,500 square miles by oblique photographs. This work is carried out by the Canadian Government Topographical Survey with the co-operation of the Royal Canadian Air Force.

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1868—the testing time of a new nation;
The 70's—the seven lean years before the C.P.R. and the National Policy;
The 80's—a period of falling prices throughout the world;
1893—the dying thrust of the long price decline;
1907—not so bad in Canada but hard on other countries;
1913—the worst effects of which were deferred by the war;
1922—when "the Whisper of Death" was heard in Canada;
1929-32—from which Canada will again emerge triumphant.

What Editors Say

"Canada Comes Through" is the title of a book written by the editor of The Financial Post and which has attracted considerable attention. It deals with depression periods of the past and present in Canada and reveals how this country has always come through. The author, no doubt, compiled and wrote his book weeks ago and probably has the satisfaction in reading the daily market reports, of seeing a substantial part of his predictions being fulfilled. A study of economic conditions of the past lends far more inspiration and understanding of the present day than a host of contemporary expert opinions."
—St. Catharines Standard.

"This depression requires to be looked at in its proper perspective. Our previous experiences are described in a pamphlet entitled: "Canada Comes Through." These articles appeared in the columns of The Financial Post during the past Summer. Their reproduction in pamphlet form is an antidote to pessimism and gives reason for confidence in the future."
—Mail and Empire, Toronto.

"A series of articles from The Financial Post, written by the editor of that reliable financial publication, have been reprinted in pamphlet form under the general title "Canada Comes Through." Its purpose is to show that in the past century Canada has emerged from ten depressions, and after each of them has gone on to achieve new economic records."
—Ottawa Journal.

RECENTLY The Financial Post published a series of eleven articles on the ten depressions that Canada has come safely through in the last one hundred years, and on the eleventh which she is now experiencing. Tremendous interest was shown by many readers in these articles; they have now been reprinted in the form of a small booklet which is available at nominal cost.

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# Business Conditions in Canada

## The Week in Business

**Western Wheat Movement at Flood-Tide**

**Export Demand Very Encouraging**

**Business Shows Signs of Strengthening**

THE flood-tide of western grain movement is the most interesting current feature of the Canadian business situation. Here are a few facts which give some idea of what is going on.

Country deliveries in the week ending September 16 reached the high total of 38,300,000 bushels as compared with 13,000,000 bushels at the same time a year ago. New wheat hauled from farms in the West between Aug. 1 and Sept. 15 totalled 83,976,000 bu. compared with 41,934,000 bu. in the same period last year. Similarly carloadings of grain soared over the 15,000 mark for the week ending September 10, an increase for the week of 7,400 cars and a 6,000 car increase over the same week of last year. For the first time in transportation history loadings of all freight in the western half of the dominion exceeded loadings in the east. Likewise the D. B. S. index of loadings in the west rose to 95.2, the highest peak in the past two years. During the week 1,800 men were re-employed by the C. N. R. work to handle increased business with prospects of four months employment.

• • •

THE most encouraging feature of the situation however is the splendid export demand for Canadian wheat. Export sales of the past week at Winnipeg have not been equalled in a similar period since the big export year of 1928. It is even estimated that since Labor Day, sales for export have aggregated 20,000,000 bushels with Great Britain a substantial buyer and China, Germany, Greece and Holland also active. During August, exports totalled 18,290,000 bushels as compared with 11,909,000 bushels in the same month a year ago. Another healthy sign is the advisement that within 48 hours this week, ocean space for 80,000 tons of wheat had been booked at Vancouver for the U. K. and Europe. The space was booked for November, December and January shipments and approximately 3,000,000 bushels of wheat will be necessary to fill this space.

• • •

AS TO the broader aspects of the business picture, it is encouraging to note that the conservative New York Annalist, sees for perhaps the first time this year, definite indications of increasing industrial activity. Strangely enough these improvements were accompanied by a decline in commodity and security prices which is a reversal of the trend of recent weeks.

The two factors which give most encouraging evidence of improvement are carloadings and electric power production. Similarly the Annalist index of business for August made the first gain in over a year, due largely to a spectacular rise in cotton consumption, while New York State factory employment showed a welcome upturn. In Canada, carloadings as already noted are very active and although no weekly index of electric power production is available, The Financial Post preliminary index of business showed a slight gain in August which at least indicated that economic deterioration had been checked for the time being.

## AUGUST EXPORTS GRAIN AND AUTOS ABOVE YEAR AGO

### Exports to United States Down Sharply, Others Increase

Canada's total domestic exports in August were 15 per cent less in value than in the same month of 1932, according to figures issued by the Dominion Bureau of Statistics. Part of this decrease is undoubtedly due to lower prices but, as wholesale prices of raw materials—Canada's chief exports—are at much the same level as a year ago, this would not be sufficient to account for more than a small part of the decrease.

While total exports in August amounted to $41,314,000 compared with $48,764,000 in August, 1931, wheat exports were considerably greater than a year ago. Although the peak exports did not commence until after Labor Day, more than 18,000,000 bushels of wheat valued at $10,642,000 were exported in August, 1932, compared with less than 12,000,000 bushels worth $6,620,000 exported in the same month of the previous year. Wheat exports were over 2,000,000 bushels greater to the United Kingdom and exports to other countries were 6,500,000 bushels compared with 2,000,000 bushels in August, 1931.

Exports to the United States have fallen considerably under the influence of increased tariffs, and the trend toward Empire trade is evident. In August, the value of goods exported to the United States amounted to $12,233,000, compared with $21,276,000 in August, 1931, a decrease of 42 per cent. Only the exports of wood and its products show a smaller percentage decrease than the total, the $8,608,000 worth exported in August, 1932, being only about 29 per cent lower than the August, 1931, total.

Increased total exports are recorded for agricultural and vegetable produce due entirely to grains, other products in this group being much less. Iron and its products is the only other group to record a better month than a year ago, automobile exports being responsible for this increase.

Imports for the month totalled $36,527,000, a decrease of 23 per cent from the total of August, 1921, which amounted to $47,308,000. The favorable trade balance for the month, after including foreign exports, was $5,327,860 compared with a favorable balance of $2,586,000 in August, 1931. For the five months ended August, the favorable balance is $8,154,000, compared with an unfavorable balance of over $21,000,000 in the same period of 1931.

## New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

**John Bertram & Sons,** Dundas, Ont., have been appointed Canadian manufacturers of all the products of the Mesta Machine Co. of Pittsburgh. The company makes rolling mill and sheet metal machinery.

**Dodge Manufacturing Co., Ltd.,** have purchased control of the Canadian Mead-Morrison Co., Ltd., with plant at Welland, Ont. The acquired company holds valuable patents for the manufacture of coal handling machinery and dredges.

**Four-Wheel-Drive Co.,** of Clintonville, Wis., have established a plant at Kitchener, Ont., for the manufacture of trucks for the Canadian and British Empire market.

**Gottlieb Co. of Chicago,** game manufacturers, have established a branch at Winnipeg, Man.

**Direct Oil Refineries, Ltd.,** have purchased ground in Winnipeg for the erection of an oil refinery.

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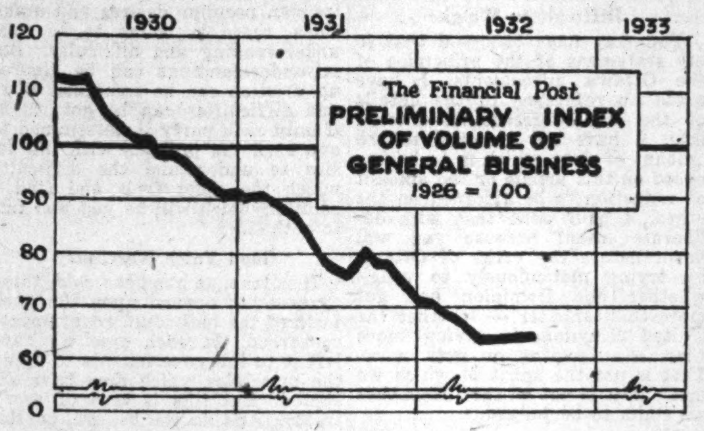
### Business Index Shows Decline Halted in August



Economic deterioration in Canada was further checked in August according to the preliminary index of business as compiled by The Financial Post. The index has been revised and broadened and includes 27 factors most intimately connected with industrial and commercial activity in the Dominion.

## Business Makes Gain Preliminary Data Show

### August Figures Show Definite Resistance to Economic Deterioration—Foodstuffs, Forestry and Distribution Active

By SYDNEY B. SMITH

The comparative stability of general business operations in Canada during recent months even if the level is lower than at any time since 1921, adds another piece of evidence supporting the improvement in the economic outlook.

After steady decline for about three years, there are unmistakable signs that business operations have commenced to show resistance to further deterioration. Supported by marked improvement in bond, stock and commodity markets in the last two or three months, there is added significance to the constructive tendency in industrial operations. The more pessimistic are inclined to affirm that constructive developments have been confined mainly to manipulative speculation and that unless buttressed by something of a more tangible nature, the improvement in economic conditions will prove transitory leading to further decline.

**Preliminary Index Mounts**

The Financial Post preliminary index of business, thoroughly revised this month so as to more accurately reflect the trend of industrial operations, was half a point higher in August than in July. The improvement in August was due to greater activity in the manufacture of foodstuffs, forestry and distribution operations showing a gain, while in the mineral division gold and asbestos were shipped in greater volume.

On the other hand, industries concerned with the production of industrial equipment were again reactionary in August. The primary iron and steel industry judged by the output of pig iron and steel ingots operated at a lower level than in the preceding month. With the resumption in September of two blast furnaces at Sault Ste. Marie it is anticipated that a better showing will be made in the fall months. The automobile industry was inactive in August, after seasonal adjustment the output being less than in any month since January last. With the production of the new Ford eight for export and some improvement in domestic sales, the outlook for the industry is in the direction of greater activity. Imports of iron and steel products were valued at $4,394,000 in the month under review compared with $5,130,000 in July.

**Construction Under Normal**

Contract awards were $12,689,000 compared with $12,540,000, but the gain was less than normal for the season. Building permits indicated that less new business was obtained by the construction industry of 61 cities. The forestry industries were more active than in July during which especially low levels were reached. The output of newsprint was 157,919 tons in August compared with 142,490 tons in the preceding month. As shipments were about 3,000 tons less than production, mill stocks were increased accordingly, the total at the end of August being 50,029 tons. A cut in newsprint prices was recently announced by Price Bros.

Exports of boards, planks and shingles were greater than in July, but the increase in the export of woodpulp was less than normal for the season.

Among the foodstuffs industries flour-milling showed a marked gain and the manufacture of sugar after seasonal adjustment was at the hghest point for the present year. Cattle slaughterings were greater than in the preceding month. The gain in sheep and lamb slaughterings was less than normal for the season, while hogs showed an absolute decline, whereas a slight gain would have been in line with seasonal tendencies. Cheese exports showed a sharp gain in August, while shipments of canned salmon to external markets were in lesser volume.

Gold shipments to the Mint and external markets from Canadian mines were greater than in July, the total being 255,600 ounces compared with 232,600. Exports of asbestos in the more valuable grades were 2,992 tons compared with 2,529 tons. Base metals were shipped in lesser volume considerable decline being shown in copper and nickel.

**Carloadings Do Well**

The loadings of railway revenue freight were 175,625 cars in August compared with 157,367, the gain being considerably greater than normal for the season. The active shipment of wheat in the Western division will contribute to a better showing in freight movement during the fall months. The volume of merchandise imports and exports showed a gain after seasonal adjustment.

The business index derived from the 27 above-mentioned factors was 65.5 in August compared with 65.0 in July. In the preparation of the index 27 factors were chosen as being available within a short time after the end of the month to which the statistics relate. They are also significant in contributing to the trend of business operations. Each of the factors was adjusted for seasonal tendencies by the month-to-month link median method, the seasonal indexes being determined from the period from 1919 to 1931. The monthly average for 1926 was selected as the base and each factor was weighted by the price during the base year. The total value of the 27 commodities in each month was divided by the average value in 1926.

The long term trend was determed from the general index by the method of least squares applied to the period from 1919 to the present. Owing to the inclusion of a greater number of factors and the change in the weighing system, the trend of the preliminary index corresponds closely to that of the final index which has appeared in the past from month to month for several years.

## Canadian Business Indicators

Compiled by The Financial Post

| | Weekly Latest 1932 | 1931 | Cumulative Jan. 1 to date 1932 | 1931 |
|---|---|---|---|---|
| **Transportation—** | | | | |
| Car loadings (Sept. 10) ... | 44,278 | 53,368 | 1,465,906 | 1,738,688 |
| C.P.R. gross earn. (Sept. 14) | $ 2,649,000 | $ 3,029,000 | $ 82,824,000 | $ 101,086,000 |
| C.N.R. gross earn. (Sept. 14) | $ 2,870,408 | $ 3,651,220 | $ 98,415,224 | $ 124,093,665 |
| | Monthly | | | |
| C.P.R. net earn. (July) .... | $ 859,708 | $ 1,733,232 | $ 6,111,587 | $ 8,539,591 |
| C.N.R. net earn. (July) .... | $ 753,433 | $ 335,618 | $ 3,162,108 | $ 1,664,654 |
| **Iron and Steel—** | | | | |
| Pig iron, tons ,July) ...... | 7,317 | 40,303 | 84,518 | 339,525 |
| Steel, tons (July) .......... | 27,506 | 45,097 | 207,994 | 506,974 |
| Automobiles prod. No. (July) | 7,472 | 4,220 | 47,141 | 70,305 |
| " exports No. (July) | 1,540 | 1,009 | 4,659 | 11,460 |
| **Construction—** | | | | |
| Building Permits (Aug.) .. | $ 3,331,278 | $ 8,201,879 | $ 30,137,519 | $ 78,194,996 |
| Contracts (August) ........ | $ 12,688,500 | $ 26,142,600 | $ 99,989,800 | $ 217,134,900 |
| **Newsprint—** | | | | |
| Production, tons (Aug.) ... | 157,919 | 165,124 | 1,293,947 | 1,460,650 |
| Exports, tons (July) ...... | 131,780 | 157,205 | 1,065,226 | 1,182,877 |
| **Sugar—** | | | | |
| Imports, raw, lbs. (July) ... | 95,841,700 | 78,978,500 | 421,127,800 | 441,606,700 |
| Melt. & ship., lbs.* ......... | 107,288,072 | 99,673,554 | 487,046,541 | 514,779,139 |
| Manufactured, lbs.* ........ | 101,700,245 | 91,870,869 | 468,083,842 | 488,717,872 |
| **Flour—** | | | | |
| Production, bbls. (July) .... | 1,201,965 | 1,319,008 | 7,134,414 | 7,967,781 |
| Wheat flour exp., bbls. (Aug.) | 330,382 | 522,178 | 3,148,987 | 3,654,403 |
| **Other Industrial Indices—** | | | | |
| Lumbering: Plank & board exports mill ft. (July) ... | 37.84 | 92.21 | 445.91 | 551.59 |
| Boots & shoes, pr. (July) .. | 1,279,484 | 1,456,822 | 10,509,069 | 10,435,799 |
| Petroleum, imp. crude, gal. (July) .................. | 104,209,000 | 98,145,089 | 555,188,966 | 562,472,952 |
| Cotton, imp., raw, lbs. (July) .................. | 3,590,000 | 4,374,000 | 50,584,000 | 50,581,000 |
| Rubber, raw, imp., lbs. (July) | 3,425,000 | 5,805,746 | 30,096,926 | 36,220,783 |
| Coal, imports, tons (July)... | 1,054,454 | 1,245,095 | 5,445,332 | 6,610,840 |
| Gasoline sales, gals., (Mar.) | 27,663,888 | ........ | 81,787,845 | ........ |
| **Trade—** | | | | |
| Imports (August) ........ | $ 36,527,262 | $ 47,308,079 | $ 314,285,344 | $ 449,585,908 |
| Exports (August) ........ | $ 41,314,120 | $ 48,763,652 | $ 306,543,115 | $ 390,064,275 |
| Wheat exports, bus. (Aug.) | 18,289,832 | 11,909,108 | 106,116,128 | 111,856,634 |
| **Labor—** | | | | |
| Employment Index (Aug.) .. | 86.3 | 105.2 | ...... | ...... |
| **Electric Power—Output—** | | | | |
| M. Kilowatt hours (July) ... | 1,157,845 | 1,251,322 | 9,105,444 | 9,563,293 |
| **Finance—** | | | | |
| Failures, No. (July) ...... | 175 | 152 | 1,412 | 1,261 |
| Failures, Liabilities (July) | $ 2,986,840 | $ 2,511,041 | $ 24,208,290 | $ 25,364,054 |
| Bank debits† (July) ....... | $ 2,176,000 | $ 2,400,404 | $ 14,712,824 | $ 18,825,548 |
| Bond sales (July) .......... | $ 27,287,717 | $ 7,467,700 | $ 188,944,888 | $ 333,871,211 |
| Insurance sales (August) . | $ 28,370,000 | $ 35,738,000 | $ 281,372,000 | $ 337,217,000 |
| **Automobile Financing:** | | | | |
| Used cars (July) ........ | $ 1,226,145 | $ 2,093,359 | $ 7,685,104 | $ 14,702,728 |
| New cars (July) ........ | $ 1,243,540 | $ 2,102,341 | $ 9,043,247 | $ 15,083,394 |

*Four weeks' period, July 23 to Aug. 13.
†(000's omitted). ‡Deficit.

## MEMBERS REPORT MUCH ACTIVITY IN SILK PLANTS

### Annual Meeting Finds Members in Happy Mood

Optimistic reports as to business conditions within their industry, featured the seventh annual meeting of the Silk Association of Canada, held at Toronto last week. The association comprises membership from 44 mills and 60 representatives attended the meeting from the Maritimes, Quebec and Ontario. All branches of the industry from the processing of raw silk into thread weaving, knitting and dyeing and printing were represented.

From supplying but 50 per cent of total Canadian market in 1930, domestic producers have steadily improved their position. In 1931 they gained 67 per cent of the home market and today they have roughly 88 per cent. During 1931, the industry made a 40 per cent gain in employment while in the hosiery section of the industry a 20 per cent gain was made. Further gains have been made in 1932. Substantial improvement in sales for the last two months, namely August and September has been recorded.

**Hosiery Branch Active**

Referring to strides made by the full-fashioned hosiery branch of the industry, P. R. Watson, of Grout's Ltd., St. Catharines, Ont., who has been president of the association for the past three years, told members that comparative production figures for the first eight months of 1932 as compared with the same period in 1931, showed an increase of 712,332 stockings sold Total shipments of stockings for the eight month period were 8,651,568 pairs, he said.

"While there is surplus productive capacity in this industry, the stock on hand figures show that the mills in this group have been rigorously budgeting their production to their sales and that there are no surplus stocks on hand overhanging the market, the stocks on hand being the minimum necessary to give delivery against orders. Machinery installed is more than capable of taking care of any increase in consumption in the next year or two.

"Industries in Canada producing from silk have made great strides. There is now enough machinery in Canada to produce and process all the requirements of our people. The gain to employment in Canada is great as all processes, excepting the growing of the silk worms and the unwinding of the silk from the cocoons, are now carried out in Canada. Our throwing plants take the raw silk and turn it into thread; our weaving and knitting plants turn the thread into fabrics or stockings; and our dyeing and printing plants carry out the final processes on fabrics before the material is marketed.

**Duty Has No Bearing**

"The country has the advantage of obtaining manufactures of silk of a quality equal to those produced anywhere in the world, at reasonable prices based entirely on the cost of production, and employment is given Canadian workers from the raw silk onwards. So far as can be ascertained the Canadian duty rate on manufactures of silk has no bearing on the factory prices at which silk products are sold in Canada. This is through no particular virtue on the part of the Canadian manufacturers, but because there is more than enough machinery in Canada to supply all requirements and the keen competition between the large number of plants.

"In our industry during the past year we have observed two extremes in feeling. We found it necessary to observe an organized curtailment for our mutual good and later we have seen a shortage of special fabrics although no shortage of staple merchandise existed. We should learn a needed lesson from these events and I hope that now that there is enough machinery set up in Canada to more than take care of the market needs that prudence will be used in operating. We must not be misled by the situation which has existed lately to produce beyond the absorption capacity of the market. Our business in Canada needs continual study because owing to the narrowness of the market, and the fact that in many cases each potential customer applies to many mills before placing orders, at times the demand appears greater than it actually is."

Officers elected for the coming year were as follows:

John Cowling, of Louis Roessel & Co., Montreal, president.

W. P. MacDougall, Belding-Corticelli Ltd., Montreal, vice-president.

I. I. Bruck, of Bruck Silk Mills, Ltd., Cowansville, Que., director.

J. A. Burns, of Monarch Knitting Co., Dunnville, Ont., director.

P. R. Watson, of Grout's Ltd.. St. Catharines, Ont., chairman, tariff committee.

J. H. Marx, of Associated Textile, Ltd., Louisville, P.Q., chairman, broad silk section

J. A. Bonneville, chairman, full fashioned hosiery section.

A. E. Stewart, of Dominion Silk Mills, Ltd., Toronto, chairman, throwsters section.

W. S. Gall, Dominion Silk Dyeing & Finishing Co., Drummondville, Que., chairman dyers section.

Brinley Taylor, of Courtalds Ltd., Cornwall, Ont., chairman, rayon section.

## Business Briefs

**Carloadings** for the week ended Sept. 10 increased from 41,521 cars to 44,278 cars due largely to increased grain loading in the western division. The index number rose from 63.99 to 70.36. Loadings in the western division of 23,231 cars exceeded loadings in the eastern division for the first time on record.

**Wheat Deliveries** to country elevators and platform loadings during the week ended Sept. 2 amounted to 5,922,008 bu., compared with 6,474,225 bu. for the preceding week.

**Wheat Exports** for the week ended Sept. 9 amounted to 3,980,642 bu. compared with 4,197,424 bu. for the previous week. Clearances for the week were higher from Montreal and Churchill and lower from Vancouver, Sorel and United States ports. For the 6 weeks ended Sept. 9 clearances were over 20 million bushels compared with 13 million bushels in the same period of 1931.

**Creamery Butter Production** in Canada during July amounted to 30,229,521 lbs. compared with 31,763,673 lbs. in July, 1931. Production in the Maritime Provinces was slightly increased but was lower in all other parts of Canada.

## WHEAT AND BEETS AID BUYING POWER LETHBRIDGE AREA

From Our Own Correspondent

LETHBRIDGE. — Southern Alberta will answer the depression cry with a 32,000,000 bushel wheat crop and a sugar beet crop that will run over 130,000 tons. While there is no incentive to the farmer to market wheat at 31 or 32 cents a bushel net—he has seen the market slip five cents a bushel in the last week—a lot of wheat is being marketed and many bills are being cleaned up. Purchasing power has increased and trade shows improvement. Many merchants are ahead in sales over last year.

There is considerable binning of wheat in this section. The farmers are not on "strike" but they are holding for a higher price. The average yield for Southern Alberta, dry and irrigated crops, will run around 18 bushels to the acre and all the wheat will fall within the contract grades. This is a pleasing feature. There is a heavy volume of No. 1 Hard and No. 1 Northern wheat being marketed. This year it is expected the new government storage elevator here will handle wheat on a large scale. This elevator is equipped with the most thorough wheat-cleaning plant in the whole government service.

The sugar beet crop will exceed 130,000 tons, it now appears, with farmers everywhere busy digging the crop. This crop will put another million dollars in circulation. The sugar factory at Raymond is operating to capacity and slicing over 1,200 tons a day. Its payroll is $1,000 a day and the run will probably be for three months as this season's crop is the heaviest the province has seen. Ideal weather prevails for the harvest and labor is adequate.

## B.C. GRAIN SHIPMENTS AT RECORD LEVEL

### Coarse Grains at New High; Wheat Exports Exceeded But Once

Shipments of grain from the port of Vancouver for the crop year ending July 31 were far in excess of those for the previous crop year, and except for the year 1928-29 were the highest in the history of the port. In the case of coarse grains, a new high for the port was recorded. Exports to the United Kingdom and the continent, which took the great bulk of the shipments, recorded substantial increases over the previous year, but those to other areas were down.

Total shipments of all grain from the port for the 1931-32 crop year were 84,524,695 bushels as compared to 74,154,058 bushels for the previous crop year. In 1928-29 the record year, shipments aggregated 95,407,519 bushels. During the crop year just ended wheat comprised the bulk of the shipments amounting to 75,675,070 bushels as compared to 72,831,628 bushels in the previous year.. Coarse grains, consisting of oats, barley, and rye, were shipped to the amount of 8,849,625 bushels, a new high for the port in this respect. The great bulk of these latter exports were made to the United Kingdom and the Continent of Europe.

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## BUILDING PERMITS DROP 60 PER CENT

### August Total is Also Down Considerably from 1931

Aggregate value of the building authorized in the first eight months of this year, amounting to $30,137,519, was considerably lower than in 1931 and other years of the record but this has been greatly aggravated by a very large decline in the wholesale costs of building materials, the index of the Dominion Bureau of Statistics based on the 1926 average of 100, having fallen from 156.3 in the first eight months of 1920 to 78.0 in the same period of 1932, or slightly over 50 per cent.

In August there was a seasonal decline compared with the previous month, and the total of $3,331,278 was considerably less than the total of $8,201,879 in August a year ago. This represents a decrease of 59.4 per cent compared with a drop of over 61 per cent in the total for the first eight months of 1932 compared with the same period of 1931.

Only British Columbia recorded a gain in permits from the previous month with an increase of $420,090, or 138 per cent and this province was also the only one to record a better August than in 1931, this year's total being about 2 per cent greater. All other provinces recorded reductions compared with both July and August, 1931, Quebec being 46 per cent less than July and Ontario 72 per cent less than August, 1931.

Of the larger cities, Vancouver showed improvement as compared with both July and August, 1931, with a total of $633,820 compared with $232,810 in July and $571,530 in August a year ago. Montreal, Toronto and Winnipeg reported decreases in both comparisons. Permits issued in the chief cities were:

| | Aug. 1932 $ | July 1932 $ | Aug. 1931 $ |
|---|---|---|---|
| Halifax | 66,645 | 104,611 | 274,865 |
| Saint John | 27,339 | 24,207 | 94,385 |
| Montreal | 972,710 | 1,313,782 | 2,092,948 |
| Quebec | 99,291 | 240,680 | 251,960 |
| Sherbrooke | 32,200 | 46,300 | 44,900 |
| Hamilton | 71,800 | 186,700 | 253,500 |
| Kingston | 29,672 | 7,625 | 28,310 |
| Kitchener | 25,115 | 2,087 | 56,935 |
| London | 26,650 | 34,845 | 236,950 |
| Ottawa | 74,965 | 115,085 | 165,655 |
| Peterborough | 99,800 | 7,991 | 20,338 |
| Toronto | 381,316 | 394,054 | 1,842,807 |
| York T'ship | 118,600 | 115,275 | 460,777 |
| Winnipeg | 160,500 | 192,000 | 228,150 |
| Regina | 19,045 | 6,508 | 64,095 |
| Saskatoon | 17,225 | 9,795 | 111,075 |
| Calgary | 54,941 | 68,357 | 203,154 |
| Edmonton | 76,080 | 112,395 | 342,840 |
| Vancouver | 633,820 | 232,810 | 571,530 |
| Victoria | 29,085 | 34,903 | 88,108 |

A Few Copies Left

Canadian Stock Market Leaders of Tomorrow

Canadian Stock Market Leaders of To-morrow

Without prejudice and without any claim to prophetic vision, The Financial Post a few months ago published a series of articles on good Canadian stocks that seemed to meet the most obvious tests that needed to be applied to good securities. These articles were reprinted in booklet form. A few copies of this booklet (48 pages and cover) are available at ................................ 25c

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# INTER. P. AND P. REGISTERS LOSS SECOND QUARTER

## Heavy Decline in Paper Sales Features Returns This Year

**From Our Own Correspondent**

MONTREAL.—A deficit of $1,856,237 is reported by International Paper and Power Co. for the second quarter of 1932, as compared with a surplus of $1,013,436 for the same period in 1931.

Gross sales in the second quarter of this year are reported by the company at $31,209,931. This compares with $36,019,240 for the second quarter of last year. Net revenue, including other income and available for interest, depreciation, etc., was $8,877,333, as against $10,488,226 a year ago.

### Mark Up Loss

Comparative consolidated statement for the second quarter of 1932, with comparative figures for 1931, follow:

Quarter Ended June 30

| | 1932<br>$ | 1931<br>$ |
|---|---|---|
| Gross sales ........ | 31,209,931 | 36,019,240 |
| Net revenue ........ | 8,877,333 | 10,488,226 |
| Less: Int. & disc. on fund. debt, inc. tax. divs. & amts. applic. min. stks. of subs. | 8,633,860 | 7,622,941 |
| Depreciation .... | 2,099,710 | 1,851,849 |
| Balance ............ | *1,856,237 | 1,013,436 |

*Deficit.

### Paper Division Weak

For the first six months of 1932, gross sales of International Paper and Power Co., were $67,126,769, as against $76,494,540 in the corresponding period of last year. With selling prices for all pulp and paper products at low levels, and with volume of business since the first quarter of this year showing by far the most pronounced decline of any period during the depression, gross sales of the paper-manufacturing subsidiaries for the first six months of 1932 fell about $10,000,000 from 1931. This fall was partly offset by increases in gross revenues of power subsidiaries, due to the inclusion in the 1932 figures of North Boston Lighting Properties and Green Mountain Power Corp., which were not included in the first six months of 1931 as control was not acquired until later in that year.

Under present conditions, operating expenses, depreciation, interest and other deductions of these recently acquired companies approximately offset the additional gross revenue differing and so their acquisition has had practically no effect on consolidated net profits and losses.

### Net Revenue Lower

Net revenue for the first six months of 1932, including other income, is $19,577,508, compared with $20,483,458 for the first six months of 1931. After taking care of all charges, there was a deficit of $2,255,803, which compares with a surplus of $1,650,997 for the first half of 1931.

Comparative consolidated statement of six months ended June 30, 1932, and 1931, follow:

Six Months Ended June 30

| | 1932<br>$ | 1931<br>$ |
|---|---|---|
| Gross sales ......... | 67,126,769 | 71,4949,540 |
| Net revenue ......... | 19,577,508 | 20,483,458 |
| Less: Int. & disc. on fund. debt, inc. tax. divs. & amts. applic. min. stks. of subs.. | 17,569,655 | 15,147,515 |
| Depreciation ... | 4,263,656 | 3,728,946 |
| Bal. for I. P. & P. Co. divds. ......... | *2,255,803 | 1,606,997 |
| Less divds. on I. P. & P. Co. pref. stocks.. | ...... | 1,632,565 |
| Balance deducted from surplus ............ | 2,255,803 | 25,568 |

*Deficit.

In the above statement income and expenses of Canadian subsidiaries have been taken at parity of exchange without adjustment of differences between foreign and United States currencies. All profits and losses actually realized in transactions involving exchange have been included in the above results.

### Reduce Note Liabilities

In commenting on financial returns for the first half of the year, Archibald R. Graustein, president of International Paper and Power Co., stated that consolidated notes payable had been reduced from $36,321,780 as of December 31, 1931, to $26,364,483 at June 30, 1932. Of the latter figure, $7,564,481 represents bank loans and other notes payable of New England Power Association and subsidiaries, $14,500,000 bank loans of International Paper Co. and $4,300,002 bank loans of Canadian and Newfoundland subsidiaries of the paper company. The entire $14,500,000 bank debt of International Paper Co. was recently extended to August 15, 1933.

# Vancouver Lays Plans For Big Grain Year

**From Our Own Correspondent**

VANCOUVER.—This port is preparing for the biggest movement of export grain so far experienced on this coast. Ninety per cent of Alberta's 1932 crop, it is estimated, will pass through Vancouver, as well as a large proportion of Saskatchewan's.

Sixty thousand tons of grain was booked here recently on a single day—a record day's chartering and shipping men believe there will be many such days in Vancouver this fall. Grain is coming westward now at the rate of 500 cars a day. The peak of the westward flow has not yet been reached.

Ocean freights are reported to be gradually rising and cargo bookings are improving, an indication that increased wheat prices are expected.

# P. G. E. Deal Progresses Tolmie Assures Coast

**From Our Own Correspondent**

VANCOUVER.—Reports that Harry M. Sinclair of the Sinclair Oil Company was the chief factor in reported negotiations for the Pacific Great Eastern Railway have been officially denied.

Premier Tolmie says that there is "every prospect of success" in the present deal for sale of the government-owned road.

One point the government wants cleared up is the amount of cash that can be put up by the purchasers. Not only would the government welcome funds but a substantial payment would also be regarded as a guarantee of the buyers' stability.

It is said that the interests now negotiating are prepared to pay $10,000,000 and undertake to buy some 20,000,000 acres along the right-of-way at a low rate over a term of years, this area to be re-sold subsequently for settlement and industrial purposes.

# Eight Principles Fixed at Ottawa

## Viscount Hailsham is "Profoundly Satisfied" With Achievements of Imperial Economic Conference—Example to Whole World

**By RT. HON. VISCOUNT HAILSHAM, in address to Canadian Club of Toronto**

When we met at Ottawa there were two main problems with which we had to deal. The first problem was the need for closer economic union within the Empire and the second problem was the world-wide one of the world economic depression.

The first problem goes back a little way into history. Two years ago, at the last Imperial Conference held in London in 1930 as the culmination of a series of conferences about questions of Dominion status and the constitutional position of the British Commonwealth of Nations, the delegations unanimously agreed upon what we now know as the Statute of Westminster. This swept away every legal tie that unites the Empire saving only, in the preamble of the statute, our common allegiance to His Majesty the King..

### Binding Empire Together

What I have felt, what I believe that many loyal subjects of the Crown have felt in the Dominions as well as in the United Kingdom, is that for more than a decade past we have been devoting our common endeavors to dissolving the legal ties which bind the Empire together and since we have left only that one link, powerful though it may be, it is not statesmanlike or wise not to try and find some other bonds to reinforce what must necessarily be the core in the link that binds us to His Majesty the King. So it was that, in 1930, at the instance of your Prime Minister, Mr. Bennett, all the Dominions agreed with the suggestion that closer economic union within the Empire was desirable. Unfortunately, the British government of that day did not see its way clear to accept that view.

I have said before, and I should like to repeat, that the Empire as a whole owes a real debt of gratitude to the Canadian prime minister because he refused to accept "No" for an answer and because he had the courage, the determination and the vision to suggest a postponement of the economic side of the conference until this year at Ottawa so that we might all join with a fresh opportunity of seeing whether we could not solve the problem which, in 1930, proved beyond solution.

### Have Achieved Success

It was not an easy problem. The difficulties were much greater when one came to close grips with them than one had foreseen. But we have solved these difficulties and, I believe, we have achieved success in our first objective at Ottawa. I do not want to deal with all the problems which kept cropping up, of hindrances which kept arising, some of which taxed the ingenuity and the courage of even the stoutest-hearted among us. In my own opinion, it would not have been possible for us to reach agreements at Ottawa unless we were able to say, as I am able to say this afternoon, that not one delegation, but every delegation brought to bear on these problems and these difficulties, a spirit of mutual tolerance and goodwill, a spirit of infinite patience and an earnest desire to see every man's point of view and to give effect to it if it were possible—a determination by mutual co-operation to succeed in achieving an end which would not benefit one part of the Empire at the expense of another but in benefitting the Empire as a whole, would bring prosperity to all its parts.

### Principles of Ottawa

It has been something of a disappointment to me that we were unable at Ottawa to frame a series of resolutions which should embody the principles to be found in the agreements of which we approved. But the important thing, after all, is not whether we reached resolutions but whether the agreements do embody the principles which will make for success.

What are the principles which are to be found in the agreements reached at Ottawa?

### 1. Empire Preference

First and foremost, we all agreed that in order to recreate the links of Empire and to develop trade relations between our several peoples, the principle of Imperial preference shall be accepted by each constituent part. Imperial preference has been given unitarily by one part of the Empire to another for some 35 years. That again was through the initiative of a Canadian prime minister—Sir Wilfrid Laurier. It has come in every case as a matter of grace and goodwill for the recognition of services rendered or of sentiment felt by one part for another. But for the first time in our common history, we have laid it down as a matter of common acceptance and as a matter of expressed agreement that the principle of Imperial preference forms the fundamental basis of the tariff policy of each one of us.

### 2. Reduced Tariffs

Secondly, we have not rested content with the mere adoption of a general principle but we have gone on to create the machinery for giving it effect and we have laid down the rules by which it is to be governed and guided. And, therefore, the next principle which I find is that, in carrying out the principle of Imperial preference, artificial barriers should, as far as possible, be swept away and tariff preferences should be given, as far as possible, by reducing the tariffs on Empire goods rather than by raising the tariffs on foreign goods. I believe that to be a principle of far-reaching import and an example, if it were followed by the world at large, which would go a very long way toward that world recovery in trade to which we are all so eagerly looking forward. We have made it plain that we regard excessive restrictions on international trade as an international evil and we have made it plain that we, in the Empire, are going to set an example in trading to get rid of that evil so far as we may.

### 3. Abolition of Red Tape

Thirdly, in carrying out that principle, provision is made for reduction in delay and friction, for machinery to promote the impartial settlement of disputes so that a trader who brings goods, let us say from England to Canada, shall be able to know with reasonable assurance what is the duty he will have to pay and will know that in the event of difficulty of dispute, he has an impartial tribunal to which he can appeal.

Many of you can speak with far greater authority than I can on matters of business, but I believe that there is no one factor which has done more to create irritation and resentment and to arouse difficulties in the minds of the individual industrialists than the feeling of uncertainty as to what fate awaits him when he gets to the customs' barrier of another country. Nothing can do more to restore trade and encourage and stimulate its development than the knowledge by a trader that he can tell for certain what he will have to allow for customs' commissions and the knowledge that in the event of any dispute he can go to an impartial tribunal and get a decision according to justice and not according to the will of any administration.

Once again have we not set an example to the world at large? Is there anything which we could do which would help more to restore the flow of trade between foreign countries and our own, than to remove these often arbitrary restrictions, filed under a variety of names—quotas, exchange duities, dumping restrictions, taxes—the effect of which is to make it possible for an administration of any country so desiring, to prevent goods from entering the country. We have set an example which, if it is followed, will do more to stimulate world trade than any one step which I can think of at the present time.

### 4. Efficient Industries

In applying the principle of protection only those industries should be protected which are reasonably assured on sound principles of success. I do not suppose that many protectionists would dispute that. It is an elementary principle but it is one which has, unfortunately, been lost sight of. I won't say "in Canada" because I cannot speak with authority, but in some countries at least, when there is a powerful influence which desires a particular trade to be protected for its own financial benefit, these people bring such weight and influence to bear upon members of the administration that applications are not adjudicated upon their merits but upon the influence which the particular applicant can bring into force.

### 5. Countervailing Protection

The next need in applying protection—and the underlying principle should be, as far as possible—to put Empire producers on an equality with domestic producers. That is to say, in the case of established industries, no more protection should be given than is necessary to countervail the extra cost of the efficient production of the domestic producer. That is a very great concession on the part of some of the countries which have gone in for high tariffs and it is a concession which, more than any other, makes the principle of closer economic unity of the Empire a reality in practice as well as in theory. It gives fair protection not only to the producer in any one Empire country but it gives a fair chance to the producer in any other Empire country by bringing them in on level terms and, at the same time, it affords to the consumers in each of our countries assurance that they will not be unduly exploited for the benefit of any particular interest.

### 6. Free Entry to U. K.

Next, in the United Kingdom the principle should, so far as possible, be extended to the granting of free entry of Dominion products. I do not think I need stress the value to the Dominions of that concession by our people. It means, in every case, where there is a protective duty imposed in the United Kingdom, we are willing—without nicely calculating what countervailing duty might be justified—to put the Dominion producer on level terms with our own home producer. I have said in every case where there is a protective tariff. Of course, there are revenue tariffs where different considerations apply. But in case of revenue tariffs, we are giving very substantial preferences in every case, something like 33 1/3 per cent to the Dominion importer as against his foreign competitor.

### 7. Tariff Tribunal

Next, in the Dominions, a tariff tribunal shall determine what is necessary to afford protection in accordance with these principles and the government shall take the necessary steps to give effect to these findings. It is not going as far as we are able to go but it is going as far as we can fairly ask any Dominion to go. You are not going to leave it to the arbitrary will of any person outside to say what protection shall be afforded. You are giving to your own independent tribunal, set up in your own Dominion, chosen by your own Dominion government but chosen to act with fairness and impartiality, the responsibility of ascertaining the facts and you are leaving, as you are bound constitutionally to do, the responsibility of giving effect to these findings to the government of the day. Every British producer will know in future that he has an impartial tribunal which is prepared to adjudicate upon his application if he thinks these principles are being unfairly applied. Although he may not be satisfied with the decision (because having been a lawyer and being a judge I know that it is very seldom that both sides are satisfied with the decisions that are given), still he will be satisfied that his case has been fairly heard and disposed of on its merits.

### 8. Friendly to World

Lastly, perhaps I should add that in making these arrangements for reciprocal preference, although the arrangements are pro-British they are in no sense anti-foreign. In helping to stimulate trade within the Empire we are encouraging and not retarding trade throughout the world. But since the arrangements which we, the members of the British Commonwealth of Nations, chose to make among ourselves are made for ourselves alone and since we do not intend that foreign countries shall unfairly interfere with them, provision is also made that if any of these preference agreements are unfairly encroached upon by the state action of a foreign state, then an embargo will be put upon articles from that state.

Those, I think, are the main principles which are embodied in the Ottawa agreements. I believe that they do go a long way to creating that closer economic union which it was the avowed objective to achieve. I am satisfied that in doing it we have laid down principles which, if they are followed outside the Empire, will go a long way to alleviating and ultimately overcoming the economic depression from which the whole world is suffering today.

What are the two principal causes of the depression? One, I suppose, is the unduly low price of primary products and the other is the constant interference with the flow of international trade by those methods to which I have referred—by prohibitive tariffs, by quotas, restrictions and so on—under which you an I can see the whole trade of the world drying up before our eyes. If the World Economic Conference, when it meets, can carry out the sort of agreements which we have been able to make, if the nations are prepared to arrange for the reasonable regulation of supply, to arrange for reduction, alleviation and ultimate removal of these undue fetters on the flow of trade, then indeed the world may once again feel that the Empire whose exertions saved the world in time of war has saved the world by its example, in time of peace.

### Difficult to Weigh

You may have observed that in my statement of the principles of the Ottawa agreements, I have made no reference to the details of the trade agreements entered into. I have not referred to the amount of duty which is to be imposed on this article or the amount of reduction to be afforded on the other. I have done that with deliberate intent because you will never assess the value of Ottawa by trying meticulously to weigh whether one Dominion has got more than another — whether the United Kingdom is giving more than she receives or gets more. That is not the spirit in which we met and it is not on that basis that we claim to be judged.

We have gone on the principle that perhaps the most vital interest of any part of the Empire is the prosperity of the Empire as a whole. And we claim to be judged by whether what we have done is calculated to improve the prosperity of the Empire as a whole. Even if you try to weigh up the advantages and sacrifices, one against the other, do not forget that if you improve the prosperity of the producers of any one of the Empire countries you improve the consuming power of that country; you increase its demand for goods from outside. The effect of these agreements is to turn the channels of trade to flow from one Empire country to the other. Then, by increasing the consumption of any one part of the Empire, you are increasing the demand for the goods of the rest of the Empire so that, in very truth and sincerity, by helping each other we are helping ourselves.

I was asked whether it was not true that there would be misunderstandings and difficulties and friction in the working out of these agreements. No doubt, there will be. Where you have free and independent democracies scattered over the whole face of the globe, each with its own traditions, each with its own setting and each with its own peculiar desires and ambitions, there is bound to be misunderstanding and difficulty. But misunderstandings can be cleared up, friction can be smoothed away and difficulties can be got rid of if only each party is determined to approach the problem with the desire to understand the difficulty which the other feels and find a solution which will be just and fair to both sides.

### Good Faith Necessary

It is true, as has been said, these agreements depend upon the good faith of the individual governments concerned. In each case we have left it to the governments to apply the principles which they have accepted. But this is true of every treaty. And do you believe, gentlemen, that in the British Empire, in this great British Commonwealth of Nations, we are less able to trust one another than we are in dealing with the world outside? I am satisfied that if I come to the Canadian government or before a Canadian tribunal I shall get the same fairplay and the same fair hearing which I shall expect from my own government or a tribunal at home.

It is said that some government might reverse all its predecessor had done. That is true of all agreements. But my hope and belief is that when the principles underlying these Ottawa agreements are explained to our own respective peoples and as our peoples come to understand the advantages which are afforded to us by making them, no government and no party will dare to suggest a reversal of that policy and any parliament that did would be swept out of existence by the voice of the people themselves.

### Is Profoundly Satisfied

I do not suppose that we have done more than make a beginning in our Empire policy. But none the less, as I go back to England, I go back profoundly satisfied with the achievements which Ottawa has succeeded in making. I go back very grateful to the Canadian people for the warmth of their welcome and for their unfailing kindness. I go back proud to have been allowed to take, a part, however humble, in making these agreements, confident that in doing so we have been, in truth, builders of Empire, and sanguine enough to hope that the building which we have done is worthy of the countries which we severally represent and worthy even of the Empire which is the common heritage of us all.

# SEEK TO IMPROVE IMPAIRED STATUS WESTERN STEEL

## Magor Effects Economies and Overhauls Structure

**From Our Own Correspondent**

MONTREAL.—Efforts are being maintained to get Western Steel Products' financial position to a point where a capital reorganization will not be necessary. The company was placed in receivership early this year and a similar situation followed in the parent organization, Corporate Steel Products.

National Trust Co., acting as trustee for the bondholders of Western Steel Products, has entrusted R. J. Magor with the job of pulling the company together again. Mr. Magor has been making an intensive study of the whole position and in his position of operating manager for the trustee has put widespread economies into effect.

Internal organization has been thoroughly overhauled while operating and marketing policies have been closely studied. All plants have been maintained in good shape; it now remains to obtain a better distribution for the company's products.

While immediate prospects are not very encouraging, improved business activity might change the situation readily. The company's plants are located in principal cities throughout Canada a factor which enables it to contend for business offering in most districts.

### Collapse Was Sudden

Too rapid expansion was one of the chief reasons of the downfall of Western Steel Products. The company had built up a satisfactory market, particularly in western Canada, and in 1930 purchased the business of George W. Reed Co. and built a $1,000,000 factory in Montreal.

Without warning, interest on the $2,090,778 of funded debt was defaulted in February, 1932, and National Trust Co. was appointed receiver and manager to enable the company to carry on as a going concern. Since that time no official statement has been issued as to the progress made in straightening out the company's tangled affairs.

# August Asbestos Trade Makes Seasonal Advance

**From Our Own Correspondent**

MONTREAL.—An improvement was recorded in asbestos shipments during August, but in comparison with the same month last year, exports are still somewhat less. Shipments of crude No. 1 totalled 6 tons, a gain of 2 tons over the previous month and 15 tons less than in August, 1931. Crude No. 2 shipments advanced from 5 tons in July to 18 tons in August, or 30 tons less than a year ago. Fibre shipments totalled 2,452 tons in August, as compared with 1,840 tons in July last and 3,659 tons in August last year. Shorts in bags amounted to 3,836, a gain of nearly 900 over the preceding month and about the same number less than August, 1931. Refuse in bulk totalled 31 tons in August, as against 60 tons in July, 1932, and 71 tons in August, 1931.

COMMUNE BONUM

Unfailing Service

SINCE the organization of The Consumers' Gas Company of Toronto in 1848, the supply of gas to the public always has been adequate. So far as has been humanly possible, interruptions in service have been provided against.

The objective of this company is to supply gas in any required quantity at any hour in any season of the year. The company has come so near to this ideal that every one of its 170,000 customers has come by experience to expect *unfailing service as a matter of course.*

Adequacy of gas supply is the result of year-by-year planning, for not only the rate of growth of the company's logical territory, but the character and geographical direction of that growth have to be provided for.

All users of gas are directly concerned with the financial aspects of this anticipation of demand, since the cost of capital forms a part of the cost of gas. Substantial premiums are paid by investors when treasury stock is offered from time to time, with the result that the company, to meet its dividends, need earn only about 5¾ per cent on its total capital assets.

THE CONSUMERS' GAS COMPANY
OF TORONTO

*Consult Our Industrial Department Regarding Your Problems*

SECOND SECTION

# THE FINANCIAL POST

SECOND SECTION

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# LEGAL BATTLE NOT IMMINENT IN INSURANCE

### On Second Thought, Ottawa Decides Legal Ground is Insecure

### PLANS AMENDMENT

### Change in Present Act Will Probably Precede Either Conference or Court Action

From Our Own Correspondent

OTTAWA.—The long constitutional battle between the Federal and Provincial jurisdictions over insurance is not yet ended.

Last summer, scarcely before the ink was dry on the three new insurance statutes enacted at Ottawa with the confident hope that the constitutional wrangle was closed, the Quebec government licensed a British insurance firm to engage in non-marine underwriting. Quebec's action was in direct violation of the Ottawa statute with regard to British insurance companies and it was predicted, with official backing, in mid-July, that the moment the government had the Imperial Conference out of the way, prosecution would be launched.

In other words, last July the Federal government was profoundly of the view that the 1932 statute was sound, that the Province of Quebec could be put in its place, the Federal authority over British insurance companies asserted successfully.

**Not So Sure Now**

Now that the Economic Conference is ended, and the last loose ends tied in, Ottawa is not so certain about the Quebec insurance case. In point of fact no prosecution has yet been launched and it is practically certain none will be. The explanation is that the legal advisers of the Federal government, having gone into the case thoroughly, are of the opinion that Quebec has chosen her constitutional ground so well that successful prosecution is not to be expected.

The point of law involved is intricate and difficult of explanation, but the upshot is that before coming to grips with the issue, the Federal government probably will improve its constitutional armament by an amendment to the statute covering British insurance companies. Meantime no action will be commended.

At the time the three statutes were enacted last spring, much was said about impending constitutional discussions between Ottawa and the provinces. As far as may be learned today, there is little disposition to attempt to circumvent the constitutional impasse in this way. The probable course of events is that the Dominion will seek to improve its legal position by an amendment to the existing law and will then take the issue to the courts.

# NORTHERN CROP ABOVE '31 LEVEL

### U.S. Dept. of Agriculture Gives Survey of Production

Estimates and forecasts of the 1932 wheat production in 34 countries which last year produced 94 per cent of the Northern Hemisphere crop outside Russia and China total 3,124,108,000 bushels in comparison with 3,101,462,000 bushels a year ago, reports the Department of Agriculture at Washington.

Latest information shows unusually good yields in western Europe, but in Czechoslovakia, Poland and the Baltic states, wheat has suffered material deterioration.

Estimates and forecasts of the production in 25 European countries total 1,480,920,000 bushels compared with 1,430,972,000 bushels in the same countries last year, when they represented over 99 per cent of the European crop, exclusive of Russia.

The 1932 rye crop in 16 European countries which last year produced about 90 per cent of the European crop, excluding Russia, totals 826,621,000 bushels as compared with 697,503,000 bushels in the same countries in 1931. Germany reports a production 22 per cent above last year, and Poland 12 per cent above 1931.

Estimates of the 1932 Russian wheat crop are not available, but private reports point to below average yields. Winter wheat yields may not be much below average, but the spring wheat outturn is thought to be definitely below last year's production. The total cereal acreage cut up to September 1 is reported at 161,000,000 acres, of which 48,000,000 acres have been threshed as compared with 185,000,000 acres cut and 69,000,000 acres threshed up to September 1, 1931.

The first estimate of the acreage sown to wheat in Argentina is 19,249,000 acres as compared with 17,295,000 acres last season. A larger acreage is also likely in Australia, where conditions have been favorable for the seeding and development of the crop.

## Ontario Welfare Boards Would Handle Relief Work

Formation of Public Welfare Boards composed of seven members is recommended to municipalities where a satisfactory representative relief board does not already exist, in a statement sent out by Hon. W. G. Martin, Minister of Public Welfare of Ontario to all Ontario municipalities. It is suggested that such Public Welfare Boards consider themselves to be representative of all sources from which funds are drawn for distribution of direct relief.

The proposal is that each board be composed of seven members of which two would be members of the Municipal Council and the remaining five be selected by citizens of the municipality. The Public Welfare Board would have continuous relations with the government as well as the more definitely municipal affairs committed to it. Mr. Martin offered the full cooperation of the Ontario Department of Public Welfare to any municipality desiring its advice or services in connection with setting up such a board.

# Canadian Taxes and Debts Advance at Alarming Pace

### Comparison of Growth in Public Expenditures With Increase in Population, Wealth and Income Reveals Staggering Burden Now Borne by People

By W. SANFORD EVANS

Memorandum Presented to Canadian Chamber of Commerce at Halifax Convention.

Government expenditures in Canada have, during the last 25 years, shown a very rapid rate of increase — relatively as well as absolutely.

From Confederation to about the year 1904 the increase, while almost continuous, was moderate. From 1904 to 1913 a marked acceleration of rate occurred, while the increase after 1913 has been at a sharply steeper angle.

In Diagram No. 1 is shown the trend of the aggregate ordinary expenditures of dominion, provincial and municipal governments from 1904 to 1931, in relation to the trend of population.

**Per Capita Costs Rise**

The relative proportions and trend will appear to the eye in the diagram. From approximately $120,000,000 in 1904, the aggregate ordinary expenditures increased to $275,000,000 in 1913 and to the very large total of $920,000,000 in 1931. Adjusted to population the expenditures per capita were $19.08 in 1904, $36.72 in 1913 and $88.68 in 1931.

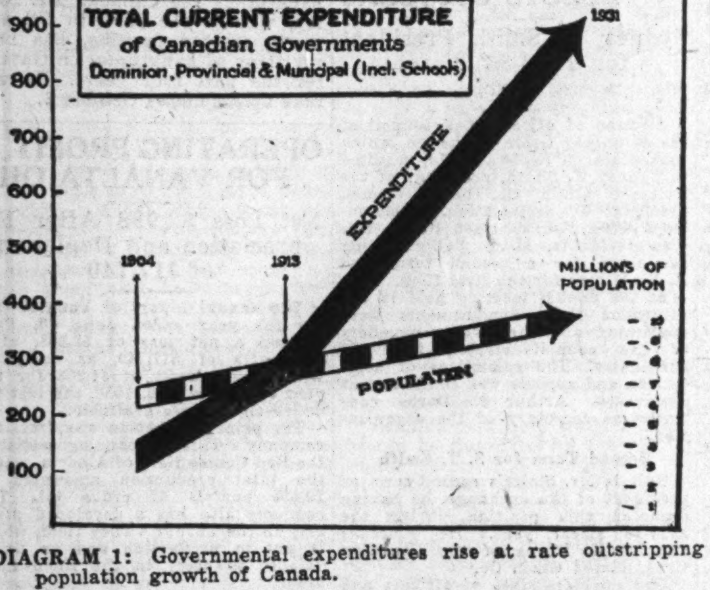

DIAGRAM 1: Governmental expenditures rise at rate outstripping population growth of Canada.

Expenditures represented in the diagram are the ordinary, recurrent ("current)" yearly expenditures of governments, as distinguished from exceptional and occasional, and from what are classified as capital expenditures. The latter classes are not included in the totals used.

**What Should be Borrowed?**

The classification by the various governments into "ordinary" or "capital" expenditures is not uniform or consistent. Except in the case of the Dominion, the distinction tends in practice to be really between expenditures out of yearly revenue and expenditures out of borrowed money. Whatever cannot be met out of income is borrowed for and transferred to capital account.

The need is great for the determination of sound lines of the conditions under which, and the objects for which a government is justified in borrowing. The whole conception of a British budget would seem to be that it contains proposals for raising revenues enough to meet all estimated expenditures. A budget should bring before a legislature in the same statement all expenditures of every kind proposed for the year and the estimated revenue from taxes and other sources of income. If the latter does not fully meet the former the budget does not balance and borrowing is provided for.

**Loose Thinking is Danger**

The present looseness of thinking in Canada, particularly in provincial and municipal finance, is a continuous danger. Certain expenditures are more or less arbitrarily, or even capriciously, called ordinary expenditures and if revenue can be made to cover these, the merit of a balanced budget is claimed, and then what amounts to a second budget is introduced with all other expenditures which are to be met by borrowing.

The real merit and significance of a balanced governmental budget is that the burden and sacrifice involved is limited to the specific imposts of the year and that the government will not borrow, with the risk of creating inflation, and will not compete in the securities market for the free capital available.

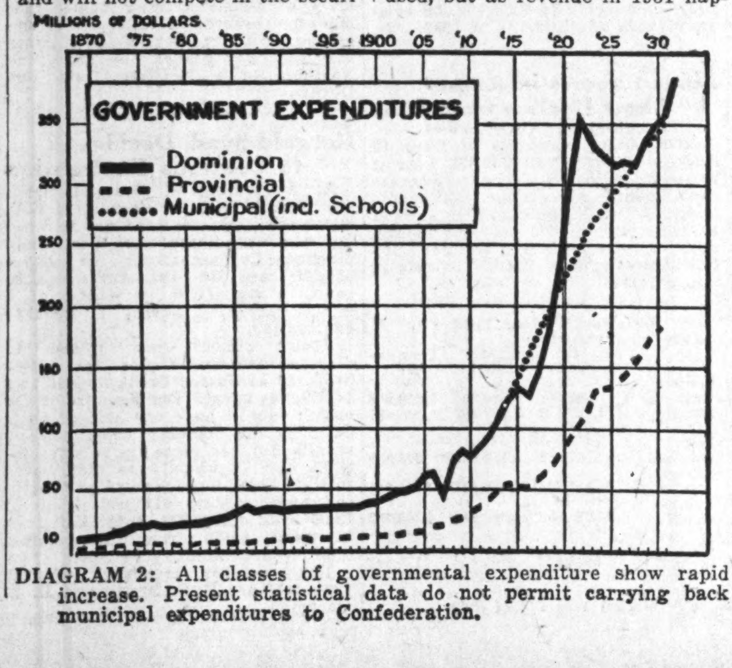

DIAGRAM 2: All classes of governmental expenditure show rapid increase. Present statistical data do not permit carrying back municipal expenditures to Confederation.

It should be clearly understood, therefore, that the expenditures treated in diagrams 1 and 2 are only those expenditures classified by the governments themselves as consolidated fund expenditures, in the case of the dominion, and ordinary or current expenditures in the cases of the provinces and municipalities.

**Ordinary Expenditures**
(All governments in Canada)

| | |
|---|---|
| 1904 | $120,000,000 |
| 1913 | 275,000,000 |
| 1931 | 920,000,000 |

**Population**
(Dom. Bureau of Statistics)

| | |
|---|---|
| 1904 | 6,283,000 |
| 1913 | 7,488,000 |
| 1931 | 10,374,000 |

**Rise by Classes**

In Diagram No. 2 are represented separately the courses of ordinary expenditures of dominion, provincial and municipal governments.

The striking feature of this diagram is the contrast between the restrained movement of dominion and provincial expenditures for the first 36 years, up to about 1904, and the upward surge in the last 27 years.

If the growth of population is taken into account it is evident from Diagram 1 that a striking contrast will remain. From 1868 to 1931 population increased three times and dominion and provincial expenditures 30 times.

From 1904 to 1931 population increased 78 per cent, and expenditures 666 per cent.

**Price Level Small Factor**

If adjustments are made according to the changing value of money, as measured by the index of wholesale prices, the sweep of the curve would be modified in certain periods, particularly between 1914 and 1920, but the contrast would still be striking, for the average price level in 1931 was only about 12½ per cent higher than in 1913 and was actually lower than in 1868.

Tested by any appropriate standards, the fact is clear that a marked expansion of ordinary government activities began about the year 1905 and has been progressively continued ever since.

It should be noted that the dominion expenditures are only those charged to consolidated fund account and do not include capital expenditures, nor special expenditures such as railway subsidies or direct expenditures on war and demobilization, although debt charges and pensions are included.

Dominion expenditures charged against consolidated fund do not fully account for expenditures out of revenue. When revenue exceeds the charges so classified, the excess is used to meet special or capital expenditures, and any surplus is applied to the reduction of net debt. In years when total revenue does not suffice for total expenditures, the balance is borrowed and added to debt.

**Civic Costs Expand**

In the 19 years, 1913-1931, dominion income exceeded consolidated fund expenditures by $1,120,110,467, or at the average rate of approximately $60,000,000 per year. To put dominion expenditures more nearly in line with provincial and municipal expenditures, these further payments out of revenues were added to the figures used, but as revenue in 1931 happened to fall short of meeting even consolidated fund expenditures, the line would finally have arrived at approximately the point shown in the diagram.

It is interesting to see that since 1913 municipal expenditures, including schools, have been about equal to, and have been increasing at about the same rate as dominion expenditures.

Provincial expenditures are smaller in amount, but since 1904 have been increasing at a higher percentage rate than dominion and municipal expenditures.

**ORDINARY EXPENDITURES OF GOVERNMENTS**
(In Certain Years)

| | Dominion Consol. Fund | Provincial Ordinary | Municipal Ordinary (Including Schools) |
|---|---|---|---|
| 1870 | 14,845,510 | 4,504,391 | |
| 1880 | 24,850,684 | 7,366,106 | |
| 1890 | 35,994,031 | 11,132,195 | |
| 1900 | 42,975,279 | 13,893,957 | |
| 1910 | 79,411,747 | 33,783,150 | |
| 1913 | 112,059,537 | 53,278,425 | 111,000,000 |
| 1920 | 303,843,930 | 88,250,675 | |
| 1922 | 347,560,691 | 112,874,954 | 260,000,000 |
| 1930 | 357,779,794 | 185,108,139 | 350,000,000 |
| 1931 | 389,558,289 | | |

**Some Apt Comparisons**

By comparisons, the relative proportions of the ordinary expenditures of governments may best be realized.

One of the main sources of national income is the field crops, including all grains, hay and other fodder crops and vegetables.

A comparison of government expenditures with the farm value of all field crops is presented in Diagram No. 3.

In 1913 the total sum expended by governments for ordinary purposes was equal to 50 per cent of the farm value of all field crops in Canada in that year, as estimated by the Dominion Bureau of Statistics.

**Twice Crop Value**

In 1931 governments expended a sum equal to 216 per cent of the value of all field crops.

As prices were exceptionally low and yield not high in 1931, another comparison is added.

The average value of all field crops for the five years, 1927-31, including three years of good prices, was $866,000,000 while the ordinary expenditures of governments in 1931 were $920,000,000.

Whereas in 1913 a sum equal to one-half the value of the field crops sufficed to meet ordinary government expenditures, a stage has now been reached where the average value of all field crops falls short by many millions of dollars of meeting the ordinary requirements of governments.

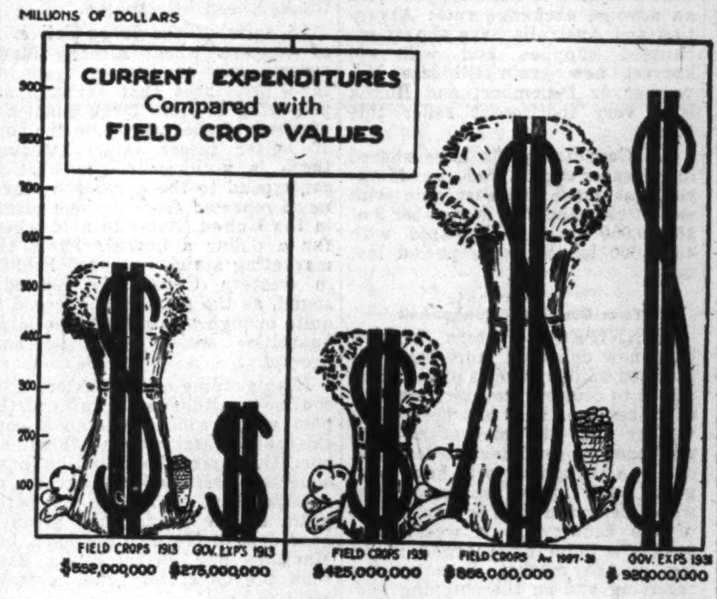

DIAGRAM 3: Current expenditures of governments in Canada compared with the farm values of all field crops in the country.

The startling comparison of the value of the field crops of 1931 with government expenditures for that year has point and validity, however, because it illustrates the inadaptability of government charges to sudden changes in national income.

**Taxable Incomes Insufficient**

Another comparison. The total amount of income assessed by the Dominion against individuals for purposes of the income war tax in 1931 was $815,714,684, which was the greatest amount assessed in any year in which the exemptions were $3,000 for married persons and $1,500 for single persons. In that same year the ordinary expenditures of governments were $920,000,000.

If governments had expropriated all individual incomes in Canada above the moderate exemption limits, they would still have had to find over $100,000,000 elsewhere to cover their ordinary expenditures.

**Debts Rise Also**

In addition to the expenditures represented in Diagrams 1, 2 and 3, it will be borne in mind that there was the expenditure by the dominion out of revenue, but not charged to consolidated fund account, of an average of some $60,000,000 per year in the period 1913-1931. Then there have been the very large expenditures of all governments for which borrowed money was obtained.

The increases in their debts from year to year represent the extent to which the budgets of governments have not balanced in the past, in the real meaning of this term.

**How Debts Have Risen**

Between 1913 and 1931 the dominion increased its gross debt by $2,127,033,143. In addition the dominion had, between 1922 and 1931, guaranteed principal and interest of bonds of the Canadian National system, harbor commissions, etc., of which a total of $738,709,970 was held by the public on March 31, 1931. There was also outstanding at that date railway bonds to the amount of $216,207,142, guaranteed by the dominion as to interest only. Neither of these classes of liability is included in the above increase in gross debt.

In the same period the direct liability of provincial governments increased by some $1,090,000,000 and the gross debenture debts of municipalities (including schools), without taking account of unfunded debts not completely available, by some $1,014,000,000.

Disregarding, for the moment, the liability under guarantees of the dominion, and the unfunded debts of municipalities, the change in the per capita liability for the gross debts of all governments is shown in Diagram No 4.

**Faster Than Expenditures**

Debts have increased even faster than ordinary expenditures, the per capita rate of increase in debts being 147 per cent of the rate of increase of ordinary expenditures.

The question of liquid, realizable or revenue producing assets, and of net, as distinguished from gross debts, arises. From the point of view of probable future debt charges upon the taxpayers this question is, of course, important.

There is, however, another fundamentally important question. What proportion of the available cash and credit resources of a country should be administered by governments and what proportion should be left to be administered by other agencies?

**Invasion of Private Field**

Gross liabilities indicate the amount of borrowed money being administered by governments. That some portion of this is held in liquid form, or is invested in enterprises that are self-sustaining or even profit making, is aside from the point that the administration is in the hands of governments and these resources are withdrawn from administration by others. Governments administer also the amounts received in yearly revenues.

It is evident that the administration by governments of the money and credit resources of Canada has been rapidly extending.

From this point of view not only all guaranteed bonds, but the whole debt, at least the debt to the public, of the Canadian National System and of any other enterprises directed, but not wholly financed, by governments, should be taken into the account.

The estimate of gross government debts in 1931 on which the per capita amounts shown in the diagram are calculated is $5,308,000,000. If the other items are included this total would be substantially augmented. The Canadian National debt to the public on December 31, 1930, was $1,168,565,863.

**Comparison With Industry**

Governments have been extending their administration of borrowed money very fast by comparison.

The $5,300,000,000 of gross government debts, again disregarding other items, is a sum a little greater than the total capital employed in all forms of manufacturing in Canada. But the increase in manufacturing capital between 1913 and 1931 was only 210 per cent while the increase in government debts was 392 per cent.

In the same period the total assets of all chartered banks in Canada increased only 100 per cent, and total bank deposits in Canada only 103 per cent, total external commodity trade only 64.4 per cent and acreage in field crops only 63.8 per cent — and government debts 392 per cent.

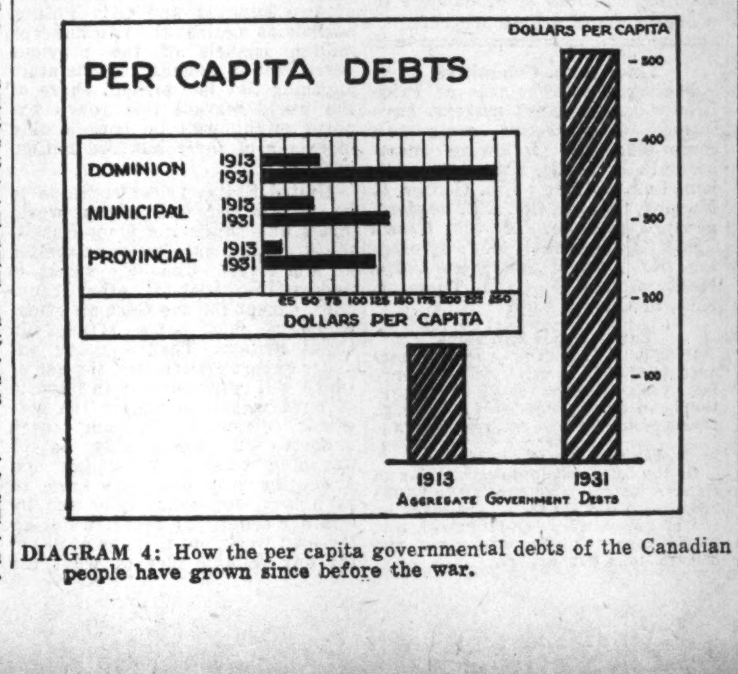

DIAGRAM 4: How the per capita governmental debts of the Canadian people have grown since before the war.

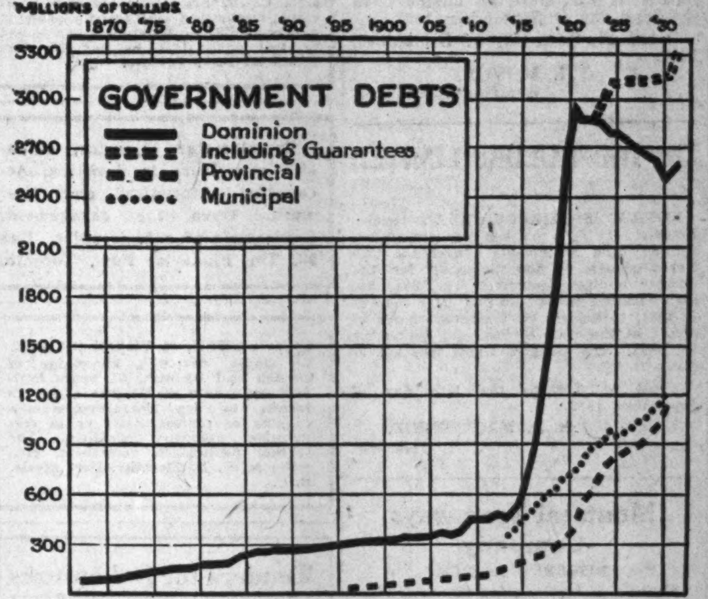

DIAGRAM 5: Increase in gross debts of different classes of governments. Notice that while after the war the federal debt has tended to decline, guaranteed (railway) issues have more than offset this.

**Growth by Classes**

Diagram No. 5 shows separately the growth of the gross debts of each class of government.

The outstanding feature is the enormous and almost perpendicular rise of the dominion debt after 1915. This is, of course, due principally, but not wholly, to borrowing for war expenditures.

Total expenditures charged to war and demobilization in the accounts of the dominion are $1,695,729,891 of which $1,670,406,243 were incurred between 1915 and 1920. These payments would not include interest on the war loans, nor war pensions and certain other charges to Consolidated fund account. It must not be overlooked, however, that special war taxes were imposed, the total yield of which from 1915 to 1931 has been $1,890,581,665.

How far the yield of these taxes would have gone to meet all proper war charges and what balance would still remain, if a separate account had been set up in this way, might make an interesting calculation.

**Rails Offset War Savings**

For the present purpose, however, it is not necessary to analyze or explain debts but only to present their true proportions.

If only the direct total debt of the Dominion is taken into consideration the curve shows a decline between 1920 and 1930, after war expenditures dropped off and war taxes reached their full yield. If, however, the obligations assumed in the guarantee of principal and interest of the bonds of certain government owned or controlled enterprises are recognized, then the curve of Dominion liabilities is still sweeping upward, and the field of government administration of money and credit is still expanding.

Provinces and municipalities had no direct part in financing the war, whatever indirect effects there may have been on their revenues and expenditures because of conditions caused by the war. Yet the debts of these governments have increased at a very rapid rate since 1913 and are still going up.

**Trend is Universal**

As between 1913 and 1931 the percentage increase in provincial debts was even greater than in Dominion debts.

Figures for municipalities are too incomplete for definite comparisons but the trend is clear.

**GROSS DEBTS OF GOVERNMENTS**

| | Dominion | Dom. Incl. Guar. Bonds | Provincial | Municipal |
|---|---|---|---|---|
| 1870 | $115,993,706 | | | |
| 1913 | 483,232,555 | | *$178,000,000 | *$416,000,000 |
| 1920 | 3,041,529,587 | | 409,756,192 | 787,175,550 |
| 1930 | 2,544,586,411 | $3,165,412,821 | 1,140,953,696 | 1,209,645,181 |
| 1931 | 2,610,265,698 | 3,348,975,668 | 1,276,629,288 | *1,480,000,000 |

*Estimated.

**Using Investors Money**

If governments borrow money they must get it out of the general world fund of money available for investment in fixed-interest bearing securities.

At any particular time this fund has more or less definite limitations. The amount available for any one country is also subject to limitations. What one applicant obtains must have some effect on what others can get. With their broad base of credit, governments are formidable competitors for bond money.

Diagram No. 6 shows total sales of Canadian bonds from 1904 to 1931 and the proportion year by year consisting of government bonds. The heavy outline shows total bond sales and the shaded figure the proportion sold by governments.

**Governments Take Most**

The proportion for the period as a whole was 64.2 per cent government and 35.8 per cent all other.

The diagram deals only with straight government bonds, dominion, provincial, municipal and school district. Bonds guaranteed by a government and sold on its credit are not included. If bonds guaranteed as to both principal and interest by the Dominion since 1922 were transferred to the class of government bonds, the proportion of the latter for the whole period would be approximately 70 per cent.

In war time governments practically monopolized the bond market and because of the patriotic appeal were able to obtain more money than would normally go into bonds. In 1931 and in 1932 governments are again occupying most of the field.

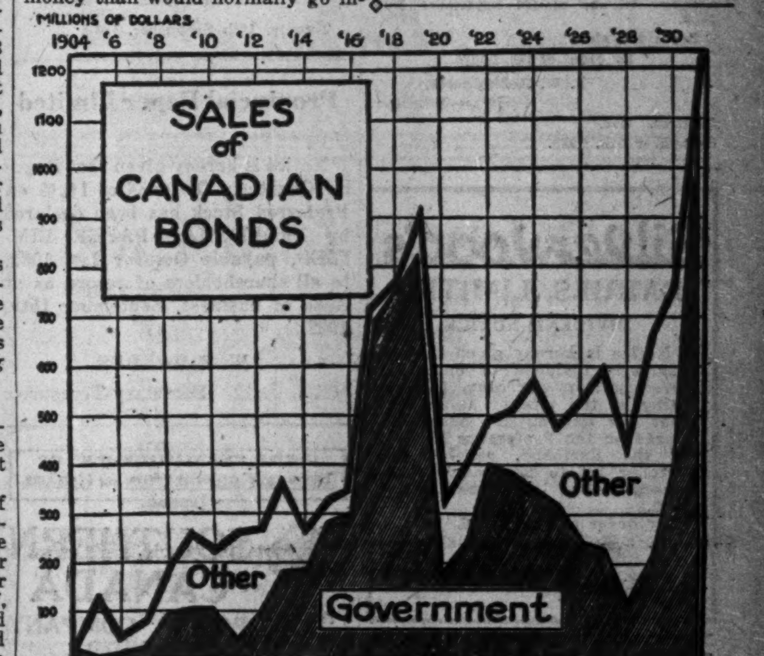

DIAGRAM 6: The effect of governmental borrowings in using up the investment capital available for purchase of different classes of bond issues.

The two periods in which government demands showed the most marked decline, about 1911 and 1927-1928, happen to have been highly constructive periods in Canadian business, but whether a relationship of cause and effect can be traced would require careful analysis of many elements.

**Borrowing From Banks**

Another way in which the financial demands of governments become a factor in the money markets is through the assistance obtained from the chartered banks.

While much of this assistance is in the way of temporary financing, in anticipation of the collection of taxes, a large amount is continuously outstanding and makes a permanent demand on bank resources.

Then the banks hold substantial quantities of government securities, some of these being long-term bonds and other treasury bills. Whether these securities are purchased as attractive investments for bank funds, or are taken over at the request of governments, which might otherwise have temporary difficulty in financing, they absorb a proportion of bank resources.

On the average in 1913 bank loans to provinces and municipalities stood at $40,423,000, while the monthly average in 1931 was $147,042,000.

**Comparison With Loans**

Government securities owned in 1913 averaged $33,178,000 and in 1931 $609,218,000. In these latter totals there may be included some securities of governments other than Canadian but the amount would probably be comparatively small..

Securities of and loans to governments represented 4.8 per cent of the total assets of the banks in 1913, but 24.6 per cent of the much larger assets in 1931.

In several recent months the aggregate outstanding under the above headings has been over $800,000,000, when "other current loans and discounts in Canada," representing general business loans, stood at only a little over $1,000,000,000.

**Number of Plants Decline**

Canadian pulp and paper plant mortality in 1931 was limited to New Brunswick and Ontario. One pulp mill and two combined pulp and paper mills closed down in New Brunswick. Two mills in Ontario which made pulp and paper in 1930 made only pulp in 1931 and two combined mills closed down.

# PAPER CHIEFS HOLD MEETING IN MONTREAL

### Seriousness of Situation Calls for Definite Action

### HEAVY LOSSES SEEN

### General Adoption of Lower Price Would Virtually Involve Wiping Out Profit Margin

From Our Own Correspondent

MONTREAL. — Executives and others closely allied to the newsprint industry held two important meetings in Montreal this week to discuss the general situation, which has become more involved through the breaking up of the price structure.

For some time the market for newsprint has been unsettled and price schedules have not been too closely followed. It has been known that a number of the American and Canadian manufacturers have been selling newsprint below the official level, but the break was not officially recognized until Price Bros. & Co. came out in the open and announced that they were accepting orders at a price of $47.50 New York delivery.

**Net Price Varies**

Great Lakes Paper Co. is reported to be taking business on a basis of $45 a ton, while others are said to be making rebates, readjustments of one kind and another, so that the net price to the purchaser is well below the $53 contract level.

Furthermore the situation has been complicated by the Scandinavian newsprint producers taking the lion's share of the spot market by selling paper at around $38 a ton New York delivery. The Canadian and American producers have not been able to touch this price, so that they have had to be contented very largely with contract business.

**General Reduction Expected**

So far the major producers like International Paper, Consolidated Paper, St. Lawrence Corp., Abitibi and others have not followed Price Bros. & Co.'s example in admitting of a lower market price for newsprint and adjusting contract schedules. It is to be expected, however, that these producers will fall in line, more especially as a renewal of contracts comes up for consideration next November. American publishers will certainly not enter into contracts at the $53 level and there appears to be nothing else to do but lower the contract rate.

The Scandinavian producers are understood to be agreed upon holding their present price structure, i.e., $38 a ton. The fact that the spread between Canadian and Northern European newsprint has been cut $6 a ton will not bring about a further price cut by them.

**Serious Hardships Seen**

General acceptance of the $47.50 a ton New York level will work serious hardship on the majority of the producers in this country and the United States. Mill operations for several months have averaged less than 50 per cent of capacity, which rate has made it impossible for all but a few companies to show an operating profit.

Considerable relief has been afforded up to date by the premium on American funds. When the Canadian dollar was selling at an average discount of around 15 per cent, the net return to the manufacturer in this country, allowing $4 a ton for freight charges, was around $57 a ton.

**Net Return $48.25**

With the current discount of about 10 per cent and a drop of $5.50 a ton in the contract price of newsprint, the net return to the Canadian manufacturer in Canadian dollars (making the usual allowance for freight) is only $48.25.

The present reduction in the contract price of newsprint from $53 to $47.50 a ton, therefore, means considerably more than a loss of $5.50 to the Canadian manufacturer. It actually means $8.75 a ton in Canadian funds.

**Heavy Losses Possible**

The seriousness of the present cut, if it becomes general, is to be seen in examining the position of St. Lawrence Corp. This organization is taken as an example because it is one of the few producers to publish its output figures. During 1931 the three companies comprising St. Lawrence Corp. produced 159,734 tons, as compared with 206,161 tons in 1930.

On the basis that all of the company's output is marketed in the New York zone and that sales are

(Continued on page 15)

## DIVIDEND NOTICES

### The Toronto Mortgage Company

**Quarterly Dividend**

Notice is hereby given, that a Dividend of Three per cent., being at the rate of Twelve per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st October, 1932,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
Walter Gillespie,
Manager.

### The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th September, 1932, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of October, 1932, to shareholders of record of the 20th September, 1932.

By Order of the Board.
C. A. Bogert,
General Manager.

Toronto, 18th August, 1932.

### THE B. GREENING WIRE COMPANY, LIMITED

**Preference Dividend No. 33**

Notice is hereby given that a quarterly dividend of one and three-quarters per cent on the Preferred Shares of the Company has been declared payable October 1st, 1932, to shareholders of record September 15th, 1932.

F. J. MAW,
Secretary.

Hamilton, Ont., September 15th.

### The Sherwin-Williams Company of Canada, Ltd.

Notice is hereby given that the eighty-fifth quarterly dividend of one and three quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for quarter ending August 31st, 1932, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of September, 1932, and cheques will be mailed September 30th, 1932.

Books not closed.

By order of the Board.
P. W. Hollingworth,
Secretary-Treasurer.

Montreal, Que.
September 8th, 1932.

### Silverwood's DAIRIES, LIMITED

**DIVIDEND NOTICE**

Notice is hereby given that a quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent per annum, has been declared on the Preference Shares of the Company, payable on October 1st to Shareholders of record as of September 17th, 1932.

By order of the Board.
J. H. GILLIES,
Secretary-Treasurer.

London, Ontario.

### The TORONTO GENERAL TRUSTS CORPORATION

**DIVIDEND NO. 145**

Notice is hereby given that a dividend of two and one-half per cent. (2½%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending September 30th, 1932, payable on and after Saturday, the first day of October, 1932, to shareholders of record at the close of business on September 17th, 1932.

By order of the Board of Directors.
W. G. WATSON,
General Manager.

Toronto, September 13th, 1932.

### *65th Quarterly Dividend*

Notice is hereby given that a dividend of Thirty-seven Cents per share (being at the rate of One Dollar and Fifty Cents per annum) on the NEW no-par value Common Shares of the Company presently issued and paid-up for Quarter ending September 30th, 1932, has this day been declared to shareholders of record, September 30th 1932, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders October 31st, 1932.

By Order of the Board,
G. R. WHATLEY,
Secretary.

Montreal, September 19th, 1932.

**MontrealLightHeat&Power CONSOLIDATED**

*Owned by 60,000 shareholders, Montreal Light Heat & Power comprises the largest group of customer-owners possessed by any public utility company in Canada*

## DIVIDEND NOTICES

**DIVIDEND NUMBER 232**

### Hollinger Consolidated Gold Mines LIMITED

A regular dividend of 1% has been declared on the Capital Stock of the Company, payable on the 6th day of October, 1932, on which date cheques will be mailed to shareholders of record at the close of business on the 22nd day of September, 1932.

Dated the 15th day of September, 1932.

I. McIVOR,
Assistant-Treasurer.

### TIP TOP TAILORS LIMITED

NOTICE IS HEREBY GIVEN that a dividend of 1¾% on the 7% cumulative sinking fund redeemable convertible preferred shares of the Company for the quarter ending September 30, 1932, has been declared payable on and after October 1, 1932, to holders of preferred shares of record at the close of business, September 15, 1932. The transfer books will not be closed.

Dated at Toronto the 15th day of September, 1932.

H. P. MACKECHNIE,
Treasurer.

### Montreal Tramways Company

**DIVIDEND NOTICE**

NOTICE is hereby given that a dividend of TWO DOLLARS AND FIFTY CENTS ($2.50) per share, for the quarter ending September 30th, 1932, has been declared upon the paid in Capital Stock of the Company, to shareholders of record on Thursday, the 6th day of October, 1932, at 4 o'clock p.m. and payable on Saturday the 15th day of October, 1932.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.

September 19th, 1932.

### GEORGE WESTON, LIMITED

**Common Dividend Number 11**

NOTICE IS HEREBY GIVEN that a quarterly dividend (No. 11) of Twenty-Five cents per share on the no par value Common Capital Stock of this Company (being at the yearly rate of One Dollar per share) has been declared for the quarter ending 30th September, 1932. This dividend is payable on and after October 1st, 1932, to Common Shareholders of record at the close of business on the 20th day of September, 1932.

CHARLES W. KERR,
Secretary.

Toronto, 15th September, 1932.

### Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable October 1st, 1932, to all shareholders of record as at close of business, September 15th, 1932.

W. S. BARBER,
Secretary-Treasurer.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

### SOUTHERN CANADA POWER COMPANY LIMITED

*Preferred Dividend No. 51*

A DIVIDEND of one and one-half per cent (1½%) on the PREFERRED STOCK of SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending September 30th, 1932, payable October 15th, 1932, to shareholders of record at the close of business September 20th, 1932.

By order of the Board,
L. C. HASKELL,
Secretary.

Montreal, August 26th, 1932.

### Imperial Bank of Canada

**Dividend No. 169**

Notice is hereby given that a Dividend of two and one-half per cent (2½%) upon the Paid Up Capital Stock of this Bank has been declared for the quarter ending October 31st, 1932, payable at the Head Office and Branches on and after Tuesday the First day of November next, to shareholders of record of September 30th, 1932.

By order of the Board.

A. E. PHIPPS,
General Manager.

Toronto, September 14th, 1932.

### Postal Telegraph Lost $634,997 in Half Year

Postal Telegraph and Cable Corp. consolidated net income for the six months ended June 30, 1932, before interest on $50,670,209 collateral trust 5 per cent gold bonds and debenture stock, was $631,758. After providing for bond interest, there was a loss for the period of $634,997.

Gross earnings amounted to $14,818,525 for the six months ended June 30, 1932, as compared with $17,696,119 for the first six months of 1931. Further reductions have been effected in operating expenses, which were reduced to $14,123,929 for the six months ended June 30, 1932, as compared with $17,076,189 for the corresponding period in the previous year.

Although operating revenues continued downward in July the recent increase in financial activity has been reflected in improvement in both telegraph and cable revenues.

### CANADIAN GENERAL INVESTMENTS LIMITED

*DIVIDEND NOTICE*

NOTICE is hereby given that a dividend of Ten Cents (10c) per share on the paid-up capital stock of the Company has been declared for the quarter ending September 30th, 1932, payable October 1st, 1932, to shareholders of record September 15, 1932.

SHARE WARRANT holders will present Coupon No. 17 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Winnipeg, Montreal, Halifax, St. John or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By Order of the Board.
E. M. STRAIN,
Secretary.

## NOTICES

### WANTED—INVESTMENT OPPORTUNITY

Canadian, 30, university education, 10 years executive and sales experience, intimate knowledge of Western agriculture, desires association in sound progressive business. Can invest $5,000.00. Interested ONLY in proven proposition capable of further expansion. Can satisfy most exacting requirements concerning past accomplishments and capabilities. References exchanged or full particulars to Box 97, The Financial Post, Toronto.

Comptometer Operator, extensive experience in Auditing, Accounting, Statistical and Cost work. Open for engagement. Credentials of a high order. Box 98, The Financial Post, Toronto.

SCOTCHMAN, 55 YEARS OF AGE, single, thorough knowledge of French and Spanish, 25 years business experience in Mexico; wishes to return to any Spanish-American country as representative or in responsible executive position. For further particulars, references, etc., write to W. D. Flemyng, Fort Steele, B. C.

### Tenders for Debentures

The county of Essex is offering for sale, Debentures issued under By-law No. 763 for payment of Provincial Highways for $135,000.00 bearing interest at 6% and payable in 10 equal annual payments.

Tenders will be received up till 12 o'clock noon on Wednesday, October 5th, 1932.

The lowest or any tender not necessarily accepted.

Tenders to be addressed to

John F. Millen,
County Treasurer,
Sandwich, Ont.

### Tenders for Bonds

The Town of Preston, Ontario, invites tenders for the purchase of debentures as follows: $30,000, 6%, 20 instalments, Waterworks, and $27,000, 6%, 10 instalments, for Unemployment Relief Works. Interest yearly.

Sealed tenders to be in the hands of the undersigned by 12 o'clock noon, on Monday, October 3rd, 1932.

The highest or any tender not necessarily accepted. Further particulars on request.

E. G. HEISE,
Town Clerk and Treasurer,
Preston, Ont.

### TO:—The Bondholders or Holders of Bonds of Windsor, Essex and Lake Shore Electric Railway Association.

Under and by virtue of a Mortgage Deed of Trust dated the first day of February, 1929, covering all the property and assets of the Windsor, Essex and Lake Shore Electric Railway Association, given for the purpose of securing bonds issued by the Association, the undersigned as Trustee therein mentioned having by reason of default declared the said security to be enforceable and having taken possession of the property and assets as in the Mortgage Deed of Trust set forth.

NOTICE IS HEREBY GIVEN under the provisions of the said Mortgage Deed of Trust that a meeting of the Bondholders or Holders of the Bonds issued by the above named Association will be held on Friday, the Fourteenth day of October, 1932, at the hour of eleven o'clock in the forenoon, at the office of Guaranty Trust Company of Canada, in the Guaranty Trust Building, in the City of Windsor, for the purpose of considering what disposition shall be made of the said property and assets and of the debentures given by the individual members of the Association as collatoral security to the said Bonds, and in general to consider what action is to be taken for effectually enforcing the said security.

DATED the seventeenth day of September, 1932.

GUARANTY TRUST COMPANY OF CANADA, TRUSTEE,
Guaranty Trust Building,
Windsor, Ontario, Canada

### NOTICES OF INSURANCE

Notice is hereby given that License No. 17 dated August 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at Individual Underwriters to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

Notice is hereby given that License No. 18 dated August 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at New York Reciprocal Underwriters to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

Notice is hereby given that License No. 19 dated August 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at Affiliated Underwriters to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

### Price Bros. Committee

Preferred shareholders of Price Bros. Co., newsprint makers, have formed a protective committee, comprising the following members: R. H. Collis, Kitcat and Aitken, London, Eng.; Col. George P. Murphy, Ottawa; Col. I. P. Rexford, general manager of the Crown Trust Co., Montreal; H. J. Symington, K.C., Royal Securities Corp., Montreal; and A. C. M. Thomson, K.C., of Quebec City.

### Power Needs Extensive

Canada's pulp and paper plants used 1,666,476 h.p. of electrical energy last year. Quebec province was in the lead, accounting for 840,692 h.p., followed by Ontario with 500,802 h.p.

### Distribution of Woodpulp

Of the total woodpulp production in Canada last year, amounting to 3,167,960 tons, 2,423,300 tons were made by the manufacturers for their own use, 94,172 tons for sale in Canada and 650,488 tons for export.

# CANADA GRAIN MOVING FAST ACROSS SEAS

## Export Demand Greatest Since 1928 as 100,000,000 Bushels Marketed

Perhaps the best business news of the week is that wheat is moving.

Not only is it pouring in a stream of something like old-time proportions from prairie farms to elevator points, but what is much more important, Canadian wheat exports are dominating the world picture, this country's shipment overseas being currently 1,200,000 bushels a week more than a year ago, representing an increase of 52 per cent in face of a drop in total world shipments of roughly 50 per cent.

Comparative figures of the movement for the first six weeks of the crop year follow:

| | Six Weeks ending Sept. 12 (bu.) | Same Period Last Year (bu.) |
|---|---|---|
| North America ... | 30,038,000 | 34,680,000 |
| Argentine ........ | 4,385,000 | 8,592,000 |
| Australia ......... | 6,325,000 | 10,896,000 |
| Russia ............ | 1,352,000 | 28,549,000 |
| Other countries .. | 4,589,000 | 11,428,000 |
| Total .......... | 46,689,000 | 94,145,000 |
| **Wheat Export Clearances from Canada** | | |
| Montreal ........ | 10,814,100 | 4,956,300 |
| Vancouver ........ | 4,710,200 | 4,355,900 |
| U. S. Ports ....... | 2,300,000 | 3,483,000 |
| Churchill ......... | 1,367,700 | ...... |
| Sorel ............. | 1,319,800 | 754,500 |
| Quebec ........... | 139,000 | 88,300 |
| Victoria .......... | 63,000 | ...... |
| Total .......... | 20,711,400 | 13,638,000 |

### Situation Summarized

Here are some outstanding facts of the current situation:

Canadian wheat export clearance for the week ending September 17 were 4,224,000 bushels or approximately 70 per cent of entire North American shipments.

More than 100,000,000 bushels of Canadian wheat has been hauled from Canadian farms in the past seven weeks or more than a quarter of the deliverable crop this season. Daily shipments average between 5,000,000 and 6,000,000 bushels.

Continued heavy buying of Canadian wheat in Great Britain is expected by Broomhall, but active buying from the continent is not expected for some time.

In spite of exceptionally heavy marketings of Canadian wheat, prices have been fairly well maintained, having slumped about 5 cents a bushel in recent weeks. Lack of speculative interest in the market has fortunately been filled largely by the heavy export demand.

Export sales in the past week have been the largest since the big export year of 1928 with China, Germany, Greece and Holland doing some buying in addition to British demand.

Canadian wheat stocks continue abnormally high at 153,000,000 bushels as compared with 118,600,000 bushels a year ago, but if present rate of export is maintained it would mean the disposal of 300-000,000 bushels of wheat during the present crop year.

Reason for heavy demand for Canadian wheat is said to be that United States is handicapped with an adverse exchange rate; Argentina and Australia have almost exhausted supplies and will not harvest new grain till late November or December; and Russia is a very indifferent seller this year.

All Canadian ports have shared in increased export trade, but Montreal has made the best gain with export clearances to September 9 at 10,800,000 bu. as compared with 4,956,000 in the same period last year.

**From Our Own Correspondent**

WINNIPEG.—Western farmers have now delivered more than one hundred million bushels of new crop wheat to country elevators and low as prices are there has been some wonder that the market has not weakened more under the load put on it. Although exports have been good many days see more new wheat delivered than is shipped out of the country in a week. The answer is to be found largely in the lag of the market, both on the receiving and on the shipping end.

There is strong evidence that large interests engaged in international wheat transactions have been buying well in advance of actual shipments. At the same time grain has not been sold as rapidly as it has been delivered at country stations. At present prices farmers do not feel that they can afford to pay storage charges on grain in elevators, but to a large extent they are taking advantage of the period of free storage allowed in country or in terminal elevators before giving instructions for sale. Consequently there has not been anything like the discrepancy between sales and purchases for export that might seem evident on first examination of the figures.

### Canada Gets Lion Share

Canada's preponderating share of the world's export wheat trade continues to be a remarkable feature of the situation. With world shipments running very much smaller than a year ago, Canada has shipped since the opening of the new crop year at the rate of a million bushels a week more. Such an increase continued throughout the year would give a total export of two hundred and fifty million bushels as against the two hundred million bushels of the previous year. But if Canada can maintain anything like her present share of the world market this year's exports might well be considerably in excess of three hundred million bushels.

United States prices continue to be maintained well above world levels and shipments from Russia, the Argentine and Australia remain at low levels. Canada's wheat is underselling that of other countries, except for the German wheat which is now being offered in Great Britain. That is going out under export certificates, the use of which will result shortly in imports of hard wheat to replace the soft wheat disposed of, and such imports will presumably be of Canadian wheat. Australian and Argentine crop prospects seem to have been somewhat improved by weather conditions reported during the past week, but it is too soon yet for any reliable idea of what the out-turn will be of production in the southern hemisphere.

In spite of the large deliveries of western wheat already made, reports are coming in from all three provinces that farmers are preparing to store large quantities of wheat on their farms, in the hope of better prices later, although there is nothing in the west to correspond to the organized movement reported from various places in the United States to hold wheat for a dollar a bushel. From the marketing standpoint such holding in western Canada is decidedly sound, as the market is exposed to quite enough strain from the large quantities which must be sold promptly.

High grading of the western crop continues, although the rains of the past week, which imposed a considerable check upon threshing operations may be found to have adversely affected the grade of considerable quantities. Alberta grain so far graded has given a good deal of No. two northern, but Manitoba and Saskatchewan have been preponderately one northern and one hard.

The situation in Durum wheat has attracted a good deal of attention. Such wheat, which during the past year commanded premiums up to twenty cents a bushel over one Northern fell with the coming of a new crop to an actual discount, although lately it has been trading on a parity with one Northern. It is believed that Italy will have occasion to make large demands for Canadian Durum for macaroni manufacture, and that little dependence can be placed upon Russian supplies. The United States has a considerable crop of Durum wheat available for export, but the strong price situation there is leaving the market pretty well to Canadian supplies.

The effect of disturbed conditions in South America on the marketing and consumption of Argentine wheat is difficult to forecast just now, although it appears probable that the distribution and consumption of wheat and flour in several countries may be adversely affected.

The Orient is buying little wheat at present, although reports of a small Chinese crop lead to the belief that later requirements may be large.

### Colony Sells Less Newsprint to States

**From Our Own Correspondent**

MONTREAL.—One of the features of the marketing of newsprint in the United States this year is the substantial drop in the supply of Newsfoundland newsprint. For several years past the island producers have been shipping increasing quantities of paper to American publishers, but the United States Department of Commerce returns for the first seven months of 1932 show imports of Newfoundland newsprint to the extent of 59,502 tons. In the corresponding period last year Newfoundland shipped 82,519 tons of newsprint to the States. One possible explanation of the drop is that International Paper and Power Co. of Newfoundland is marketing less newsprint in the United States than was the case a year ago.

## DOMINION GLASS PURCHASES SAND FROM WINNIPEG

### Company Buys 5,000 Tons to Replace Imported Commodity

**From Our Own Correspondent**

MONTREAL.—Significant of the current trend, Dominion Glass Co. is now purchasing sand requirements for its Redcliff, Alta. plant from domestic sources. Formerly this unit received its sand supplies from foreign sources but after a series of tests and experiments the company has discovered a suitable substitute available in Winnipeg. Some 5,000 tons of sand have been ordered from that centre.

All plants of Dominion Glass Co. are active reflecting the seasonal upward turn which makes its appearance at this time of year. Both Hamilton and Point St. Charles are operating while the Redcliff unit is in production with output largely confined to making preserving jars for the western trade.

Indications do not point to an improvement in earnings at the end of the fiscal period which ends September 30, 1932. In the previous period profits fell short of full dividend requirements on the common and disbursements were subsequently cut from a former rate of $7 a share to the present payment of $5 a share annually.

During recent market activity Dominion Glass shares sold up to 78, their high for the year, but have since declined to levels of around 65. The position of the stock, however, is strengthened by the fact that in June next year the remaining bonds outstanding will be redeemed, leaving the $2,600,000 of 7 per cent preferred and $4,250,000 of common the sole charge against the property.

### Walker Purchases One Fifth Preferred

In a letter to preferred shareholders with current dividend cheque, Hiram Walker-Gooderham & Worts states that 145,655 preference shares have been redeemed in the course of its repurchase programme on Canadian stock exchanges at an average price of $9.42 a share. This leaves the outstanding capital 514,345 preference shares and 660,000 common shares.

The Board intends to pursue the repurchase plan further from time to time "as circumstances may warrant."

## CELTIC KNITTING OPERATIONS HOLD AT 1931 LEVELS

### New Zealand Market Offers Outlet for Silk Hosiery

**From Our Own Correspondent**

MONTREAL.—Activity of Celtic Knitting Co., manufacturers of wool, cotton and silk hosiery, is much on a par with last year. Prices have shown no tendency to improve and the situation in the industry generally is still highly competitive. Operations last year resulted in a loss of $7,895.

One encouraging feature is the fact that an export business in silk hosiery has been opened up in the New Zealand market, following consummation of the trade agreement. This division of Celtic Knitting's activities is carried on at Cranby by a subsidiary, Nordic Hosiery Ltd., whose plant is busy at the moment.

**Costs Are Reduced**

Costs have been reduced to a low level through the exigencies of the domestic situation and shipments can be made profitably to New Zealand at the present time. The English manufacturer, it is stated, does not make the quality of hosiery adapted to that market, while the exchange situation prohibits purchases in the United States.

Though silk prices have shown a stronger tendency, prices have not reflected the upward trend in the silk hosiery industry. Advent of several new mills into the market in recent years has brought about an ero of over production and prices for the past two years have been at a level which allows but a small margin of profit.

## GRAIN EXCHANGE ELECTS OFFICERS

### Sydney T. Smith President for 1932-33 Fiscal Year

Election of officers and council of the Winnipeg Grain Exchange, which took place on September 14, resulted in Sydney T. Smith, president of the Reliance Grain Co. being elected president by acclamation. Acclamations were also accorded to the two vice-presidents, H. E. Sellers being re-elected for a second term and R. W. Milner for the first time.

At the annual meeting held in the afternoon these appointments were confirmed and the twelve members of the council elected from 23 candidates. The committee of arbitration and appeals was confirmed as nominated. Arthur E. Darby continues as secretary of the organization.

**Second Term for S. T. Smith**

This is Mr. Smith's second term as president of the exchange, he having occupied this position during the 1914-15 fiscal year. He succeeds Charles E. Hayes of the Canadian Consolidated Grain Co.

The complete slate of officers and council for 1932-33 follows:

Sydney T. Smith, (Reliance Grain Co.) president; R. W. Milner (Jackson Bros. Grain Co.) and H. E. Sellers (Federal Grain Co.) vice-presidents.

Council—W. J. Dowler (Parish & Heimbecker); C. E. Eggleston (Hallet-Carey-Swart); R. T. Evans (British American Elevator Co.); C. C. Fields (Norris Grain Co.); C. E. Hayles (Canadian Consolidated Grain Co.); J. W. Horn (Western Canada Flour Mills Co.); Stanley N. Jones (broker); J. A. Kennedy (United Grain Growers, Ltd.); W. A. Murphy (Reliance Grain Co.); R. C. Reese (K. B. Stoddart & Co.); A. C. Reid (Western Grain Co.); W. E. Reid (Wm. Reid Co.)

Committee of Appeals — W. R. Bawlf, C. E. Hayles, W. H. McWilliams, E. S. Parker, W. A. Murphy, J. A. Richardson and A. P. White.

## *Foreign Exchange*

### Low Wheat Price Bears on Canadian Dollar

CONTINUED weakness in the price of wheat is probably the most unfavorable factor working against the Canadian dollar in New York and, in addition, the apparent willingness of the Canadian farmer to dispose of a large part of his wheat crop at these low prices tends to make the total value of wheat exports lower than anticipated.

During the past week the Canadian dollar has fallen off about one half of one per cent in New York although Canada's exports continue to move ahead of imports and money conditions in the New York market are more favorable.

Announcement that the government definitely proposed financing in New York to meet the $40,000,000 issue due there on December 1 has since been denied, but the market apparently has not been influenced by these rumors and the assumption among traders is that not only has this financing been discounted but that it will be undertaken.

MATURING obligations of governments, municipalities and corporations in New York and London in December amount to approximately $52,000,000 and in addition interest payments totalling $17,000,000 are due in that month. The necessity of obtaining funds to cover these obligations is naturally weakening to the value of the Canadian dollar in New York but the effect has almost certainly already been discounted.

It is interesting to note that maturing obligations in 1933 amount to only $25,880,000 which compares with a total of $107,500,000 in 1932. Estimates of interest payments due are slightly less than in the current year, amounting to $158,200,000 compared with $161,900,000 in 1932.

### Flour Exports in August Show Decline from 1931

**From Our Own Correspondent**

MONTREAL.—Exports of flour in August amounted to 330,382 barrels compared with 522,178 barrels in the same month a year ago. Shipments to the United Kingdom, which showed a sharp gain in the previous month, dropped once more and totalled 152,310 barrels against 201,130 barrels in August, 1931.

**Canadian Western Lumber**

| July | 1931 Feet | 1932 Feet | Decrease Feet |
|---|---|---|---|
| Lumber manuf. | 8,095,808 | 6,786,600 | 1,309,208 |
| Lumber sold | 7,387,279 | 7,469,700 | *84,421 |
| Price realized | $107,461 | $93,642 | $13,819 |
| Aggreg. manuf. † | 58,817,215 | 59,008,833 | *191,618 |
| Aggreg. sold † | 60,685,652 | 56,482,219 | 4,203,433 |
| Price realized † | $887,312 | $707,890 | $179,422 |

* Increase.
† From Jan. 1 to end of July.

# *Toronto Stock Exchange Members May Join Standard*

At a special general meeting of members of the Toronto Stock Exchange on September 20 it was decided to amend by-law 8 so that members of the exchange may purchase memberships in the Standard Stock & Mining Exchange if they so desire. It is expected that members of the Standard Stock & Mining Exchange will hold a meeting shortly to consider a similar proposal that members of that exchange may belong to the Toronto Stock Exchange.

The formal decision taken by the Toronto Stock Exchange is the logical result of the action taken earlier in the year when the two exchanges agreed to delist conflicting stocks. For example, Toronto Stock Exchange members agreed to remove all mining stocks from their list except International Nickel and Consolidated Smelters while Standard Exchange agreed to remove the oil and industrial stocks which had begun to appear in unlisted trading on that exchange.

It is stated that this new policy is not a move toward merger of the exchanges and that delisting of conflicting stocks has removed the necessity of such merger.

### Bankruptcy Head

W. J. REILLEY

Newly appointed superintendent of bankruptcy for Canada. Mr. Reilley, who is the first to fill this newly created position, has been registrar of bankruptcy in Ontario for the past four years. He will take up his duties October 1.

## OPERATING PROFIT FOR VANALTA OILS

### Net Loss $2,988 After Depreciation and Depletion of $17,740

The annual report of Vanalta Oils for the year ended June 30, 1932, showed a net loss of $2,988, after write-offs of $17,740, as compared with a net profit of $1,258 for the year ended June 30, 1930, the last for which figures are available.

The principal income was from the company's three producing wells in the Red Coulee field of Alberta, where the total production amounted to 29,865 barrels of crude oil. The company also has a developed property in the Turner Valley field, which is not in production and an undeveloped property in the Keho Lake area.

The balance sheet as at June 30, 1932 showed current assets of $12,378 as compared with current liabilities of $533, leaving a net working capital of $11,845 as compared with an excess of current liabilities over current assets on June 30, 1930 of $4,759.

The following is a comparative income and surplus account.

**Income and Surplus Account**
**Years Ended June 30**

| | 1932 $ | 1930 $ |
|---|---|---|
| Income: | | |
| Red Coulee No. 1 .. | 4,064 | 14,486 |
| Red Coulee No. 2 .. | 8,705 | 8,628 |
| Red Coulee No. 4 .. | 4,017 | 8,486 |
| Net inc. after royalties and oper. expenses . | 16,786 | 31,600 |
| Sundry income ...... | 827 | ....... |
| Total income ....... | 17,614 | 31,600 |
| Admin. & gen. exp. | 2,861 | 5,144 |
| Net income ......... | 14,752 | 13,063 |
| Less: | | |
| Depletion .......... | 15,883 | 10,327 |
| Depreciation ...... | 1,857 | 1,478 |
| Net loss ............ | 2,988 | *1,258 |

* Profit.

### Ontario Harvest Completed Except in Northern Section

Harvesting operations in Ontario have generally been completed with the exception of northern Ontario where rain has delayed the work and about 25 per cent of the crop is still standing, according to the weekly crop report of the Ontario Department of Agriculture, dated September 19.

Rain interfered with grain harvesting in western Ontario last week but it is generally completed with silo-filling pretty general in Middlesex and Huron counties. Early fields of beans are being harvested and most of the tobacco cut.

Apple maggot has been generally prevalent in the fruit belt this year but despite this, and a heavier scab infestation than usual, it is expected there will be heavier marketing of choice apples this year.

### Rain Again Stops Harvest Throughout Western Canada

Renewed rainfall in Saskatchewan and Alberta and threats of rain in Manitoba on September 20 dampened hopes of an early wind-up of harvesting in western Canada. Just as crops thoroughly drenched over the week-end had begun to dry out the new downpour started.

Threshing on the whole is about 75 per cent completed on the prairies but the remainder of the crop stands in serious danger of spoiling unless the weather improves in a few days. Even a sudden spell of warm dry weather now would be dangerous as it would cause sprouting. What is needed is a few days of cool, dry weather with brisk winds to dry out the grain.

While there has been some deliveries of wheat grading below that marketed before the rains at the end of August, a large percentage of grain this year has graded one hard, one Northern, two Northern and one Durum.

### Norgold Synd. Decides to Continue Exploration

At a meeting of Norgold Synd. unitholders held in Rochester, N.Y. last week it was decided not to wind up the syndicate as previously planned but inasmuch as about $11,000 was in the treasury, to continue its effort in search of a mining property worthy of further exploration.

About $15,000 was raised to diamond drill and explore the Autier property at Boston Creek and of this $4,000 was spent. The Vendors of the option turned back one-half of their units to the treasury when drilling results did not come up to expectations and 75 units were distributed to the 150 unit purchasers so that at the present time 511 units out of 1,000 authorized are outstanding or 11 units aside from the vendors stock, represented by $11,000.

The business managers of the syndicate are H. S. Denny and H. E. Jackmen.

## AUDITORS LIABLE FOR NOT FINDING OUT DEFALCATIONS

### Justice Donovan's Decision Awakens Dominion-wide Interest

Chartered accountants all over Canada are interested in the ultimate outcome of the expected appeal from the decision of Mr. Justice W. J. Donovan awarding International Laboratories, Ltd., of St. Boniface, Man., $26,209 against Douglas Dewar, W. G. Thomson, A. B. Shepherd, W. R. Carmichael and A. Bannatyne, carrying on business as chartered accountants under the name of Peat, Marwick, Mitchell & Co., on the ground that the latter should have detected defalcations in 1930 of John Harris, former manager, of plaintiff company.

According to reports of the evidence, thefts to the number of 1,400 had occurred, gradually growing from petty to major amounts during the period of the thefts. The defendants had been company auditors since 1920, but thefts of $26,727 had occurred in spite of check-ups made. The judgment declares that the method of theft by issuing cheques to fictitious payees was neither ingenious nor novel and that thefts were discovered because the thief confessed 13 days before the end of the financial year when called to account for his cash. A complete check-up followed.

The auditors made a counter claim for $3,459 for their work on this special audit, but his lordship held they were bound to do this work under the terms of their contract without additional charge. H. V. Hudson, K.C., represented the plaintiffs with H. A. Bergman, K.C., as counsel for defendants.

Aside from the merits of the individual case the question of the responsibility of auditors is very important. Accountants questioned by The Financial Post state that it is part of the ethics of the profession that an auditor should report everything out of the way that he finds in the course of his audit and also that he should find everything that "by reasonable diligence he should find." But the matter of assessing liability for failure to find anything wrong adds a new phase to the matter.

## BORROW FROM BANK TO BUY LIVESTOCK

### Scheme in Ontario Would Promote Raising of Feeder Cattle

Ontario farmers desirous of purchasing feeder cattle may borrow money from the banks at six per cent interest through arrangements which have been completed by Hon. T. L. Kennedy, Minister of Agriculture for Ontario, with the Canadian Bankers Association.

In making the announcement, Col. Kennedy pointed out that there was abundance of cattle feed in Ontario but the farmers did not have the money to purchase the animals while Western Canada possesses the cattle but not the feed.

Printed application forms are being sent out to every branch bank in Ontario and farmers wishing to avail themselves of the opportunity of borrowing money must fill out the form. The form will then be sent to W. J. Neely of the Department of Agriculture who is supervising the export of cattle to Ontario from the western provinces.

This scheme is expected to provide the needed impetus toward rehabilitating the livestock industry in Ontario. Last year a similar plan was attempted on a smaller scale but owing to lack of information comparatively few farmers participated.

### Silverwood Profit Can be Maintained

Silverwood's Dairies Ltd. has had increased business in two departments, according to A. E. Silverwood, president of the company. The number of retail milk customers has increased, especially in Toronto, and substantial gains have been shown from month to month in sales of evaporated milk. Sales of ice cream have been lower due to the cool summer and the 6 per cent sales tax applied to ice cream for the first time this year has had to be absorbed by the company. Payroll and other internal economies instituted from July 1 have offset losses in the ice cream department.

Mr. Silverwood believes that the company can maintain earnings in the current year at the rate shown for the year ended April 2 when $9 per share was earned on the 7 per cent preferred stock. While class A and common dividends have been eliminated it is not expected that the preferred dividend will be discontinued. The preferred dividend due October 1 has been declared payable to holders of record September 17.

### Krupps Abandon Plans to Open Canadian Plant

Krupps have definitely abandoned plans to establish a branch steel plant in Canada, which was the intention last year when a director of Krupps investigated the possibilities for such an enterprise in Canada, according to the European correspondent of Canadian Machinery and Manufacturing News, Toronto. The reason is, probably, Canadian Machinery continues, that this plant would have to import from Germany certain semi-finished products, which could not be made conveniently in Canada, and that the high import duties on such steel would boost the price of the finished products too high.

It is now confirmed, the journal states, that Krupps had been in negotiation with the Canadian Government concerning a special import tariff for semis imported expressly for a Canadian Krupp plant, but that this demand was not granted.

# *Your Investments*

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security.

The service, in other words, is one of fact and not of opinion.

## What Stocks Will Lead In Next Market Revival?

### Bank of Nova Scotia Common Has Earned Dividends For a Century, Paying Continuously

The Financial Post chooses Bank of Nova Scotia common stock to lead off its second series of articles on Canadian Market Leaders because that stock gives almost a perfect response to every investment test applied. Here is a stock that has paid dividends continuously out of earnings of more than 100 years, which has had only one recession in dividends in the last 60 years and which doubled the rate of dividend payments during the first 19 years of the twentieth century.

This banking institution has come through its century stronger with every successive decade; and its present financial strength against a gloomy background of business recession reminds one that the bank has had to meet and solve not once but many times the problems both of prosperity and adversity. It has travelled through booms and depressions, major and minor. It has survived rebellions, wars, changes in administration, regimes of high tariff and years of low tariff. It saw a few scattered British colonies combine for great enterprises and successfully occupy and govern the northern half of a great continent; and in all these things it had to exercise wisely the important functions for which banks exist.

### Well Deserves Esteem

It is a matter of record therefore that the Bank of Nova Scotia common stock well deserves the attention of the real investor who wants income in the present and is looking to the future. That success in the past is due to the fact that the bank has been fortunate in having to manage it through its formative and developing years men of firm character, trained in sound principles and methods of banking, cautious when most men were too sanguine and enterprising whenever permanent progress could be made. Defalcations in 1871 and 1872, which make a break in this century-long record, really proved in the end a blessing as it startled the directors into action and the adoption of policies which have been increasingly fruitful in strengthening the bank and increasing the confidence of the business community in it.

The Bank of Nova Scotia on October 1 will pay at the rate of 14 per cent per annum instead of the 16 per cent per annum which had been paid from 1919 to the present time. In this action the Bank of Nova Scotia does what every other large Canadian chartered bank has done. It does what most companies have found necessary in this period of major depression, that is, it conserves its liquid resources to a greater extent than is necessary in normal years so that it can continue to function as a great bank with its main resources readily available. There have been such temporary recessions in dividends in the past but not since 1874.

### Banks Lose in Depressions

These dividend recessions show that a period of depression is not a good earning time for banks. The more business there is to finance the better off they are, but in a time like this brokerage loans drop to less than half, securities held diminish in market value, and anxieties of managers grow tense to keep money reasonably active without incurring unreasonable risks. On the international side banking services operate with extreme difficulty because in thirty countries restrictions were imposed upon dealing in foreign exchange. Banks have had to take part in the councils of large companies, follow up their loans to see that the borrowers followed conservative policies in paying or not paying dividends, reducing inventories and in making various economies. Canadian bankers have had to sit in with western farmers and grain men, eastern industrialists and merchants, Governments and municipalities; there has not been a financial problem of any kind which has not come to their attention.

### Quick Assets High

The Bank of Nova Scotia during such a period has actually managed to maintain its cash position unimpaired at 10.76 per cent of its public liabilities, and its quick assets at the end of 1931 were 54.8 per cent of liabilities as compared with 58.7 per cent a year earlier. In 1932 to the end of July further recessions in current loans and in its outstanding commitments were noted by the monthly statements to the Minister of Finance. Deposits in this same period showed some falling off and may be considered as part of the picture of these times. Considering this immediate picture and the uncertainties of the near future the intending investor might hesitate if he judged bank stocks by the same criteria as other stocks. Current prices run between 260 and 270; the low point in 1932 was 238, lower than at any time for 28 years, and the high point 275. But at 270 the yield to the buyer is 5.18 per cent, about the same as has been possible with Government bonds through part of this time. This indicates the confidence of investors unimpaired: it is certain that the important men now holding the stock will in most instances continue to hold it. The price of 270 has been quite often paid in the last quarter of a century and many higher prices up to 410 in 1928.

### "Rights" Nine Times

But it is not in the prospect of market appreciation that holders expect their chief return in Bank of Nova Scotia stock. In a large country like Canada with great resources and a comparatively thin population of 10,000,000, the natural expectation is that sooner or later there will be a pronounced increase in migration to Canadian shores. Banks will prosper on the whole just as Canada does, and expansion from time to time will be necessary even though the policy at the moment is quite rightly to conserve resources and to avoid risky commitments. The bank has offered its shareholders rights to buy additional shares of stock under the prevailing market value nine times since 1897. An investor who took advantage of all these rights from 1898 on would have been piling up stock which was increasing in value and in income return continuously. As the stock has always been selling at more than double par value, the sale of stock to shareholders at prices under the market have permitted the management and directors to keep the reserve at $24,000,000, just twice the outstanding $12,000,000 of capital, the only Canadian bank with such an extraordinarily high reserve. This strength after a period of great strain promises well for the time of recovery in business. In the last 35 years nearly half the stock at present outstanding was issued in the form of rights.

The considerations which would lead to buying of this stock to put away as an investment would therefore, to recapitulate, be these: first, because shareholders may profit in the future as in the past from offerings of "rights" at every time of bank expansion; second, that dividends have been very generous through the company's history and may be again when the clouds clear.

### Is Well Managed

Present direction of the bank is in consonance with the tradition of the bank. The board includes such strong, successful men as S. J. Moore, president of the bank and of the Moore Corp., and other companies, Hector McInnes, K.C., vice-president; J. A. McLeod, vice-president and general manager, the second famous McLeod to occupy the position, Hon. W. D. Ross, Leighton McCarthy, K.C., head of Canada Life, A. L. Ellsworth, president B. A. Oil Co., W. M. Birks, Montreal and a long list of other important Canadians.

The bank's progress has been sound and steady; its mergers in 1883 with the Union Bank of Prince Edward Island, in 1913 with the Bank of New Brunswick, in 1914 with the Metropolitan Bank and in 1919 with the Bank of Ottawa were well conceived to spread the company's interests throughout Canada wherever the conditions were favorable to sound banking. The company has now 330 branches operating throughout Canada and the world at large. Its assets are fourth highest in the Dominion; it commands the confidence of depositors and savers of money; returning business will give the necessary fillip to earnings when it occurs. The company's largest number of branches are in good localities with diversified industry.

## Politics and the Stock Market

I have heard the statement made quite often in the last two months that recent rises in stocks were engineered in order to help the Republicans create the proper campaign atmosphere to secure President Hoover being re-elected. I have also heard it said that the Democrats precipitated the buying which produced the rise so that there would be a set-back before the election and so give Roosevelt a better chance. The latter people claim that the rise started too soon to suit the Republicans. If politics is the only cause for the market rise, should not Canadians be warned to pay no attention to it?

If it is so easy to put a stock market up or down at will as all that, how is it that all previous efforts since 1929 to stem the toboggan slide of prices into the abyss have not been effective. No party has enough money to rig or influence the stock market materially unless the tendencies up or down are already there. The hope of profit will bring new money into the market and nothing else will.

No doubt Republican investors may loosen their purse strings a little because enthusiasm for party makes them see the advantage to Republican hopes of greater optimism being inspired in the nation at large. There is no group of men so powerful financially that they could have sent stocks of many companies up 100 per cent and bonds 50 per cent during July and August for merely political reasons. There are thousands of astute market experts who would have discovered such a movement and provided such accommodating buyers with so much stock that the upward movement would have been halted in mid career.

The recent upward movement was, in part, due to a release from panic that sent prices tumbling to unreasonably low levels, in part due to the extraordinary measures taken by the Government to pump more credit into the business system of the country and in part because of a widespread increase in hope that the worst phases of the depression had been passed. Increase in commodity prices on a wide scale had a strong influence in this direction and occasional setbacks of the market when commodity prices faltered or dropped for a time show how close the market is keeping in touch with actualities. If high hopes are not translated into actuality, the market will falter but there is every reason to think that it will continue to reflect opinions of investors and speculators as to prospects irrespective of desires of political bosses and managers. There can be no denying that a victory by Democrats may make many Republicans think the financial world has come to an end for four or five years. thus affecting the market. But such influences are transitory and would not hold two weeks against real evidence of business improvement.. The recent Maine election is a case in point.

### Canada Dry

I have been thinking of buying Canada Dry. Would you please give me your opinion of the stock or of any other good stock which is likely to appreciate in value when times get better?

Canada Dry in 1931 reduced its dividend to a basis of $1.20 a share a year. This followed reductions in the prices of its products to a considerable degree and the sharp competition with competitor companies in New York City. The company's expansion has been marked but the increase in earnings up to 1929 has been followed by somewhat marked decreases because of the factors mentioned. The company apparently has progressive management and new products are being tried out so as to diversify returns as much as possible. Growing taxation is a burden to this and other soft drink companies.

The Financial Post is not able to express opinions as to the future appreciation of any stock, its policy being to give all available information which will help the enquirer to decide for himself.

### Brazilian Exchange

I notice coffee is selling higher. Is that likely to help Brazilian exchange and eventually enable Brazilian Traction, Light & Power Co. to resume cash payments continuously on the common stock?

Brazil's favorable trade balance would be improved by the rise in coffee prices if it could get a lot of coffee into the markets of the world at these prices. However, the rise is because the civil war now progressing in Brazil has prevented shipments of coffee from the principal coffee port, Santos, to the great consuming nations of the world since July 11, 1932, and it does not mean that there is any less coffee available in the world. These Santos grades are essential to blenders of coffee. When the present trouble is over and shipments are resumed the price of coffee will have a direct bearing on payments made to Brazil because the major part of the world's coffee is still stored in that country. But will prices then be maintained at the higher levels?

In the meantime the Governmental restrictions, which have been in force since January 18, 1930, will continue. All exchange operations are under the strict control of the Banco do Brazil. All exchange arising from Brazilian exports must be sold to them. As their ability permits they will furnish exchange to other banks, on application, to cover maturing collections. Applications must be accompanied by documentary evidence establishing proof of importation. Heretofore maturing collections have usually been paid without delay, as it has been the practice of some of the collecting banks to effect reimbursement prior to the receipt of actual dollar cover from the Banco do Brazil. It is now indicated that delays in reimbursement may be expected as remittances will be made only upon receipt of actual cover from the Banco do Brazil. These business requirements are looked after before considering needs of companies that pay interest and dividends and interest comes before dividends.

### York-Adelaide Realty

I should like any available information on the York-Adelaide Realty Co. as I hold some of the 7 per cent first mortgage bonds. Bond interest due June 1, 1932, was not paid and is now in default. It is impossible to secure any satisfaction from the sponsors of the issue by either phone call or letter. The interest on this investment represents quite a vital portion of my income from investments.

I am told that the land and building on which this $400,000 mortgage is placed carry an estimate value of $850,000 which would seem to indicate that at least the principal of the issue is adequately protected.

As far as we can ascertain, no financial statement of York-Adelaide Realty Company has ever been issued to the bondholders or to the public. W. A. MacKenzie of W. A. MacKenzie & Co. is president of York Adelaide Realty and presumably controls the common stock. Sinking fund on the first mortgage has been in arrears for some time.

The Montreal Trust Co., Toronto, which is the trustee for the first mortgage bonds has had no financial statement from the company. The trust deed of the issue provides that 25 per cent of the bonds outstanding is necessary to call a meeting of bondholders. Holders of 51 per cent of the bonds outstanding may waive any default under the mortgage.

The Financial Post understands that earnings of the building are sufficient to meet operating expenses and taxes with but very little left over to be applied to first mortgage bond interest. While the York Parking Garage owned by the company is well located in a district that will eventually be built up with high class buildings, there are, at the present time, a large number of vacant lots in the vicinity which are being used temporarily as parking spaces. This surplus of cheap parking areas has undoubtedly cut into the earnings of York-Adelaide Realty to a large degree both in the day and night trade. Decrease in tourist traffic has resulted in a sharp decline in the number of tourist cars stored in the garage over night, although rates have been cut some 50 per cent.

In the original offering circular for the bonds, it was stated that the land on which the garage was erected cost $280,000 and that the building would cost approximately $370,000. At the same time, it was stated that the land had been valued at $356,531 by McWilliams and Lockhart and the finished building had been valued at $410,000. Due to the proximity of the garage to the new University Avenue extension, it would appear that land values have the possibility of appreciating, but this would not affect the earning power of the property from which bond interest must be obtained. Any increase in earnings would probably be of slow growth.

### Howard Smith

I have some preferred shares of Howard Smith Paper Mills. Has this company made progress this year and is there any chance of preferred dividends being paid in the near future?

The fine paper industry, broadly speaking, is particularly sensitive to the business trend. Howard Smith Paper Mills have been no exception in the past two years and during the current period our understanding is that earnings are running below the level of 1931. Indications are that the company will be able to cover its bond interest, but at the moment, prospects for a resumption of dividends on the preferred stock seem to be remote. Prices in the fine paper field are holding steady and as yet there has been no indication of reductions similar to those which have been put into effect in the newsprint industry.

### Beauharnois

As a holder of a Beauharnois Power Corp. bond I am anxious to know whether it is likely that interest will be paid when due on Oct. 1. What is the outlook for the company?

It is unlikely that interest will be paid on October 1 next on the Beauharnois collateral trust bonds. The situation surrounding this enterprise continues to be indefinite, though it is to be expected that some plans will be announced by the committee before long.

In respect to the project itself, water has been turned into the canal prior to tuning up the generators. We are informed that all arrangements will be made to effect delivery of power to Ontario Hydro Electric and Montreal Power at the beginning of next month.

### Steel of Canada

Do you think that the extension of the U. S. Steel's plant at Ojibway will have an adverse effect on Steel Co. of Canada Also will the new bi-lateral treaties hurt the business of the company?

We do not anticipate that the enlarging of the United States steel plant at Ojibway, or the enactment of the new bi-lateral treaty signed at the Imperial Economic Conference, will have any material effect upon the position of the Steel Co. of Canada. While the products of U. S. Steel's subsidiary in Canada may come in competition with those of the Steel Co. of Canada, the percentage of items covered is small. We are given to understand that the agreements reached between the steel manufacturers in England and those in Canada are of a character which will not affect the Canadian industry. Concessions are understood to have been given to the English manufacturers on large plates and structural steel, none of the latter being manufactured in Canada.

### Famous Players

I have noticed that Famous Players has deferred its common dividend. Have you any information on the current position of the company?

Though earnings of Famous Players Canadian Corp. during the current year have shown a more than seasonal decline, resulting in deferment of common dividends, our understanding is that revenue has been sufficient to take care of all fixed charges including sinking fund to date. In past years the company has been able to earn its bond interest requirements by an ample margin, while it has been liberal in its write-offs for depreciation and cost of installing new equipment. The company showed a strong cash position at the end of last year.

### Architects Building

As a subscriber to The Financial Post I would be obliged if you would give me some information on the position of the Architects Building. I hold some of the bonds and have not heard how the company is getting on.

Though interim figures have not been published during the current year, our understanding is that rentals of Architects Building Corp. during 1932 have been satisfactory and earnings have been maintained at a fair level. In 1931 profits were sufficient to cover bond interest by a small margin but details of the company's financial position have not been published. As you know, business office buildings are faced with difficulties in these times and it is encouraging to note that rentals of the Architects Building have been relatively well maintained.

### Shell Gas Refinery

What effect should the building of a refinery by Shell Gas and the enlarging of U. S. gas plants in Canada have on the former attractiveness of B. A. Oil and Imperial as speculations?

Do you consider the enlarging of the U. S. Steel plant at Ojibway will curtail earnings of Page-Hersey making it less attractive as an investment? Also would like your opinion as to how conference would affect this stock by United Kingdom-Canadian competition and bilateral treaties with other dominions increasing their trade.

Congratulations for your excellent reports and discussions of the conference.

It is evident that no major operations, such as the building of a refinery by Shell Gas or the enlarging of any other competing plants, can be wholly a matter of indifference to British American Oil and Imperial Oil. It will probably presage a more intensive effort than ever by the Shell Co. to get business in Canada. Hitherto it has had either to import its gasoline or secure it in Canada, but present tariff makes a continuance of importation a matter of difficulty for the company. Nevertheless, both B. A. Oil and Imperial Oil are financially able to meet such competition on an even ground. Shell Gas will have no advantage over the other companies as to cost of importing its crude or manufacturing it after it is in Canada. No industry can be considered immune from the possible effects of the building of more capacity than is necessary. Unless a price war develops in which profits are sacrificed, the coming of the new company should not be harmful. Shell Gas will naturally want some profit to show for its enterprise in Canada, and it could not get such a profit with cut-price competition, according to the results of the recent parliamentary investigation.

The enlargement of the U. S. Steel plants at Ojibway must always be reckoned with in future surveys of the steel situation in Canada, but so far the company has shown no disposition to build much beyond immediate requirements. It must be remembered that many of the branch plants built in Canada were to take care of business already established, but which cannot be supplied now from the United States with the tariff as high as it is. No doubt such plants will reach out for additional business to pay for the additional capital investment made. The situation will not be changed materially either in the United States or Canada for Page-Hersey though business is lower than usual at present because of the decline in construction and in drilling for oil. Page-Hersey is in the export business and bi-lateral treaties with other countries of the Empire may prove of benefit to it. Local interests were pretty well conserved by the arrangements for bi-lateral treaties, it is understood.

### Acadia Sugar

Will you kindly let me have your opinion on the position of the Acadia Sugar Refining Co. in relation to the bonds.

Good progress has been made by Acadia Sugar Refining Co. in recent years, and earnings in 1931 were sufficient to cover all interest requirements twice over, after depreciation. The position of the Canadian sugar refining industry has tended to improve in the past two years due, in part, to the application of dumping duties with a resultant restriction of refined sugar imports. During the current year our understanding is that Acadia Sugar is maintaining its earnings at a satisfactory level; dividends on the preferred stock, resumed in 1931, are being paid regularly.

### MacLaren Power

What progress is being made in the supposed efforts to bring about a merger of the leading Canadian newsprint companies? Is there any prospect of an early move in this situation? Have you any information on operations on the MacLaren Co.?

For several months past an investigation has been conducted into the possibilities of merging the major Canadian newsprint operators. At the moment the Committee is working on data and has not yet submitted a plan for the reorganization. It is out of the question at the moment, of course, to forecast the companies which will be considered for this consolidation, but the tentative list is said to include practically all the operators in Eastern Canada, aside from those privately controlled.

In respect to the MacLaren Company, we are informed that operations at the moment are relatively satisfactory. One of the two machines is kept in constant operation and, it is said, the second machine is brought into use from time to time in order to take care of the backlog of orders.

### Montreal Island

Please be good enough to give me some information on the situation surrounding the exchange of Montreal Island Power bonds for those of Montreal Light, Heat and Power. Is there any particular advantage in making the exchange?

We are given to understand that probably over half of the outstanding bonds of Montreal Island Power Co. have been deposited for exchange to bonds of the Montreal Light, Heat and Power Consolidated.

The main advantage in making the exchange at present prices is that by effecting the exchange and immediately selling Montreal Power bonds, a profit of $4 or $5 can be made on the transaction.

For one who is in a position to hold his bonds, there is no particular advantage in making the exchange. As you know, Montreal Power has contracted to take the entire output of Montreal Island Power Co. at a price which assures covering interest and sinking fund requirements on the bonds. Montreal Island Power bonds are not as popular marketwise as those of Montreal Power, but this is a relatively unimportant factor for one primarily interested in the security and return of income.

# *Mining Enquiries*

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

### Baltac Oil

Three years ago I purchased 600 shares of Baltac Oil at an average price of $1.75 per share. Afterwards this stock practically disappeared from the board but since a few days it has shown some activity and is now selling around eight cents.

The questions which I wish to submit to your kind attention are the following: 1—Are there any reasons justifying the recent rise other than the general upward movement of most cheap oil stocks? 2—Would I be justified in pocketing my loss to date by selling at the present market price? 3—Does Baltac hold any prospects for the future?

We can explain no reason for an advance in the market price of Baltac Oil shares. The company has no worth while earnings. Its only production, taken so far this year was some 230 barrels of crude naphtha in July. This, obviously, is not sufficient to make any worth while earnings. The company has only one well drilled and is without funds to complete any extensive programme. Furthermore, the oil situation in Turner Valley, now that government conservation of gas is in effect, does not lend itself to hopes of higher production in immediately succeeding months. We are not aware of any situation that would change the position of Baltac Oil or that would justify additional drilling.

### Coast Copper Co.

I would ask you to advise what you think of Coast Copper as a buy at about the present price for future appreciation.

Coast Copper shares have shown considerable appreciation in the market recently, in sympathy with the general trend of base metals stock.

There is nothing to indicate that production will be commenced until such time as Consolidated Smelters, which controls the company, establishes a smelter on the Pacific coast. The construction of a smelter on the Pacific coast has been under consideration but is not imminent owing to the general copper situation that prevails not only in Canada but throughout the world.

### Tough-Oakes

I have been endeavoring to trace the history of what is known as the Tough-Oakes gold property at Kirkland Lake through its various company organizations and reorganizations, and would like to learn if the common shares in any of the companies that have taken part in these reorganizations are of any value today. Did the bondholders obtain full settlement for their claims?

The common shareholders in Tough-Oakes-Burnside Gold Mines, the last company to hold title to the property, did not participate in the final reorganization by the Toburn Gold Mines at present operating the property. The bondholders of Tough-Oakes-Burnside Gold Mines alone participated and received 40.3 cents on the dollar for their investments to be paid on September 15 next.

The company's property was originally staked in 1912 by Harry Oakes and the Tough brothers and was the first property in the area to produce gold. In 1913 the Tough-Oakes Gold Mines, Ltd., (Ontario incorporation) was formed with a capitalization of $3,000,000 in $5 par value shares. In 1914 a company of the same name was incorporated in England as a holding company which purchased 426,843 shares of the Canadian company. In 1919 the Kirkland Lake Proprietary (1919) Ltd. was formed for the purpose of amalgamating the Tough-Oakes Gold Mine, the Aladdin Cobalt, Ltd., the Sudbury Syndicate and the Kirkland Lake Proprietary Ltd. In 1920 this new company acquired control of the Sylvanite Gold Mines Ltd., and the Burnside Gold Mines, Ltd. The Tough-Oakes Gold Mine shareholders received one share of Kirkland Lake Proprietary (1919) Ltd. for each two shares of Tough-Oakes held. In 1923 the Tough-Oakes-Burnside Gold Mines, Ltd., was incorporated with an Ontario charter and a capitalization of $5,000,000 in $1 par value shares to acquire from the Kirkland Lake Proprietary (1919) Ltd. the Tough-Oakes section of its holdings in consideration of 3,837,510 shares out of the 5,000,000 authorized of the new company, In order to finance operations a $300,000 7 per cent five year first mortgage bond issue was made by Tough-Oakes-Burnside in December, 1927, redeemable after December 31, 1929. Upon default of the bond interest in 1928 the bondholders took over the property. Late in 1930 the Bunker Hill Extension Mines acquired an option on the property from the bondholders which it transferred to the Premier Gold Mining Co. In order further to develop and operate the property Premier caused the Toburn Gold Mines to be formed in January, 1931. Under the terms of the option Premier was to pay the Tough-Oakes-Burnside Gold Mines' bondholders $200,000. This later underwent a modification and the bondholders recently received a settlement in full of 40.34 cents on the dollar. The common shareholders have no equity.

### Vipond

A little over a year ago I purchased four hundred shares of Vipond mine stock at 96 cents per share. This stock is now quoted around 28 to 30 cents. Would it be advisable for me to sell at the present depreciated value or do you think there is a future to this stock with a possible rise in price?

The decline in the market price of Vipond Consolidated Mines shares can be attributed to current operations. In months past the deeper exploration work at the property has not met with the success anticipated and production has been steadily declining, depleting the known ore reserves. An intensive and intelligent search is being made for ore but unless success is met with in the near future, operations will have to be suspended. When a mine suspends operations the market value of the shares generally suffers.

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# Current Banking Events

## N. S. F. Cheque Law Fails To Satisfy Bankers or Merchants

### New Legislation Does Little to Curb Passers of Bad Cheques

### VOLUME STILL LARGE

### Unscrupulous Retailers Who Obtain Extra Credit Through Medium of Bad Cheques Are Problem

Business men and bankers are far from satisfied with the amendment to the Criminal Code, passed in April of this year, and designed to tighten up legislation dealing with the conviction of persons obtaining goods or credit through the medium of cheques later returned "N.S.F.," according to representative bankers and merchants interviewed by The Financial Post.

The main change effected by the amendment is that it places the onus on the issuer of the cheque to prove that the item was not issued with intent to defraud while, under the old laws, the receiver of the cheque had to prove that the issuer had given him the item with intent to defraud. The complete text of the section of the Criminal Code and the amendment is:

**Criminal Code**

(1) Every one is guilty of an indictable offence and liable to three years' imprisonment who, with intent to defraud, by any false pretence, either directly or through the medium of any contract obtained by such false pretense, obtains anything capable of being stolen, or procures anything capable of being stolen to be delivered to any other person than himself.

(2) Everyone is guilty of an indictable offence and liable to one year's imprisonment who, in incurring any debt or liability, obtains credit under false pretences or by means of any fraud.

**Amendment**

(3) In any prosecution under this section if it be shown that anything capable of being stolen was obtained by the accused by means of a cheque which, when presented for payment within a reasonable time, was dishonored on the ground that there were no funds or not sufficient funds on deposit in the bank to the credit of the accused, it shall be presumed that such thing was obtained with fraudulent intent by a false pretence, unless it be established to the satisfaction of the court that when the accused issued such cheque he had reasonable grounds for believing that it would be honored if presented for payment within a reasonable time after it was issued.

**Easy to Evade**

In Brantford last week the working of the new act was demonstrated when Magistrate A. S. Jones dismissed a charge of intent to defraud preferred against an insurance man who failed to cover a cheque for $100 drawn on a bank in which he had no account. The accused had met the cheque half a day late, as soon as he received the money he had been expecting. Magistrate Jones stated that it was his opinion that the accused had had reasonable grounds for believing that the cheque would be honored within a reasonable time—as it was—and therefore dismissed the case.

What actually occurred in this case was that the insurance agent obtained credit on the expectation of money to be received and without collateral, the bank financing the transaction. The agent did not pay for this service and the book received nothing.

Although no conviction was registered in the Brantford case it served to draw the attention of the public to the change in the laws and to the fact that once a complaint had been laid the charge is carried through in court and cannot be withdrawn on account of settlement. The manager of a credit organization stated that in his opinion this would do something to curb the evil but it was only a very short step in the right direction.

Many business houses, particularly those handling a large number of small cheques, find it impossible to press for payment by laying a charge in every case as the trouble and cost of appearing in court would be out of proportion to the amount of the cheque to be collected. Repossession of goods obtained by means of a bad cheque is always costly and never satisfactory while it is impossible in some cases.

**Stall Off Payment**

A mythical though typical case was explained to The Financial Post which shows the methods used by many unscrupulous retailers to stall off payment to wholesalers. A, a retailer, receives goods from B, a wholesaler, and signs a note payable at 30 days. At the end of that period when the note is presented for payment, A attaches his cheque to the note and returns it to the wholesaler's bank through the usual channels. The wholesaler therefore receives the cheque after two or three days. He then deposits it to his account and it is presented for payment at the retailer's bank two or three days later. There are not sufficient funds and it is returned and debited to the account of the wholesaler, giving the retailer at least a week's extra credit. If the cheque is then met it appears that nothing can be done about it.

Bankers state that as far as they can ascertain there has been no falling off in the number of bad cheques presented for payment since the introduction of the amendment. As far as they are concerned the returning of cheques because of insufficient funds is a purely routine matter and their responsibility ends there. Their objection is that while the item is in process of being cleared the bank's credit is being used by the depositor.

Introduction by the clearing houses of a 25 cent charge on each cheque returned was a much stronger deterrent than the amendment to the Criminal Code, according to bankers, and has caused an appreciable falling off in the number of N.S.F. cheques.

## Bank of Commerce Cuts Overhead Costs

During the present month the Canadian Bank of Commerce has announced changes in six branches in Ontario and Quebec whereby those branches, instead of being opened for business every week day will be open only two or three days each week.

These changes represent a considerable saving to the bank as these branches will be staffed by members of a parent branch in each case who will only travel over to the sub-branch on business days.

A number of other branches throughout the Dominion have been changed into sub-agencies and, although open for business on all week days, will be under the supervision of the manager of the parent branch.

## FEWER MOVEMENTS OF BANK STAFFS DURING PAST YEAR

### Progress Slow, But Staffs Retained Despite Depression

Advancement has been slow in Canadian banks during the past two years, the number of staff movements being considerably reduced owing to the falling off in expansion and the almost complete stoppage in the efflux of bankers into commercial and financial houses. According to head office officials this latter movement is a large one in times of high business activity and dwindles to practically nothing during depression periods.

Fewer openings have meant fewer changes and in addition the number of men freed by the active campaign of branch closings which has taken place during the past year has been almost sufficient to fill any vacancies which have occurred before the chain of movements has gone very far. The head offices of most of the banks at the present time number among their staffs many men who were formerly managers or accountants at branches now closed and who are available to fill vacancies as they occur.

While advancement has undoubtedly been considerably slowed down in banking as in all other professions, the banker has been very much more fortunate than the majority of other professional men during the past two years of depression. For instance, the security of the banker's position stands out when one compares the facts that, while business houses have been forced to discharge many members of their staffs in order to reduce operating costs to the level of business activity, not one banker has been discharged for this reason.

**Few Salary Cuts**

Data regarding salary adjustments is exceedingly difficult to obtain but here again it would seem that the banker has been more fortunate than his commercial brother. A few bank men have actually received salary increases during the past year and while many have suffered from the elimination or reduction of cost-of-living bonuses that is about the full extent of their losses while business men have been forced to take salary cuts ranging from 10 to 50 per cent and higher.

Bank staffs have undoubtedly been reduced during the past period of depression but this has been accomplished by failing to add junior members to the staff to replace those lost to the bank through death and retirement, their places being filled by staff members from other centres where business activity did not warrant their existence.

## Bank Chat

**Long, Long, Ago**

Memories of the days when all bank letters were written in copying ink and duplicated in onion skin paper ledgers with the help of brush and water and the heavy letter press were recalled on the receipt of a letter from the Ottawa branch of the Bank of Montreal on notepaper which opened from left to right instead of from right to left.

These were the days when "penmanship" was one of the greatest assets of the banker. Many bankers will remember the skill with which the messenger copied the letter and some of the poor results which were obtained when that worthy gentleman went on his annual vacation. The utter disgust on his face on examining the duplicate book on his return will long be remembered.

CHARLES W. JONES has been appointed manager of the Dominion Bank, Calgary branch, to succeed J. L. HUNT, who has been transferred to the western supervisor's department at Winnipeg. Mr. Jones was formerly assistant manager at Vancouver.

LEON CONRAD BITZER, formerly manager at the Bank of Commerce, Altona, Ont., died in Winnipeg on Aug. 25. Mr. Bitzer joined the Bank of Hamilton in 1903.

R. W. STOWELL, formerly manager at the now-closed Munson, Alta., branch of the Royal Bank has been appointed manager at Erskine, Alta.

**Canadian Bank of Commerce** announces the following changes in staff and branches:

J. D. CRUICKSHANK, assistant manager at Main & Alexander branch, Winnipeg, has been appointed manager.

BISHOP'S CROSSING, QUE., branch will be operated as a sub-agency of the East Angus branch after Oct. 1. The branch will be open for business daily.

MARBLETON, QUE.—Advices that this branch would only be open two days a week should be disregarded. The branch will continue to open daily as a sub-agency of the Weedon, Que., branch.

## Insurance Inklings

**Great-West Life Assurance Co.** has declared its regular quarterly dividend of 5 per cent payable October 1 to shareholders of record September 20.

L. G. SMITH has been appointed supervisor of the policyholders' service department of the Confederation Life. This department was recently organized to take charge of all correspondence dealing with policy loans, cash surrender values, etc.

J. A. C. KAY has been appointed assistant manager of the Perth Mutual Fire Insurance Co. Mr. Kay has been an inspector with the company for the past ten years.

J. M. MACRAE has been appointed secretary of the Perth Mutual Life Insurance Co., succeeding A. E. DODDS, who became general manager on the death of Major George Kay some months ago.

CHARLES HEATH, head of the Manitoba Government insurance department was elected president of Association of the Provincial Superintendents of Insurance at their annual convention at Winnipeg. R. P. HARTLEY, K.C., of Fredericton, N.B., was elected vice-president and R. LEIGHTON FOSTER, Toronto, was re-elected secretary-treasurer.

P. L. HYDE, formerly of Regina, has been appointed manager of the Calgary agency of the Northern Life Assurance Co.

ARTHUR P. JOHNSON has been appointed manager of the Detroit City agency of the Great West Life Assurance Co. For the past two years, Mr. Johnson has been Detroit City manager for the Detroit Life.

R. B. COOLIDGE, of Cleveland, representative of the Aetna Life, was guest speaker at the September 22 luncheon of the Toronto Life Underwriters' Association. The subject of his address was "The Interview."

R. N. CORNISH, secretary of the Canadian Automobile Underwriters' Association of Montreal, was one of the speakers at the annual convention of the Canadian Good Roads Association held at Digby, N.S., on September 13, 14 and 15. Mr. Cornish spoke on accidents on highways and their relation to insurance.

F. L. ERNST took over the management of the Continental Life Insurance Co.'s Montreal agency on September 1. Mr. Ernst commenced his career in the insurance business in 1923 with the Mutual Life of Waterloo and since then has been Toronto manager for the Ontario Equitable and latterly field supervisor and inspector for the Continental Life.

A. C. WILEY after 21 years of service as head of the organization department of the Canadian Order of Foresters, has tendered his resignation.

## NEW RATE BOOK FOR NATIONAL LIFE

### Many Changes in New Agency Manual Recently Issued

National Life Assurance Co. has issued a brand new rate book to agents. It contains many important changes in rates and plans including new total disability rates which are now given with separate schedules for each of the different life and endowment plans.

Other changes as outlined to agents in the company's agency bulletin, are as follows:

"Single premiums on participating plans have been reduced and a new set of premiums added on the non-participating plan.

"In the Super Select Series the premiums are now given on the basis of $1.000 instead of $10,000 as formerly.

"The National combined option policy is to be dropped owing to the fact that the convertible term rates now being used by the company are so much more attractive, and there would appear to be no justification for charging a policyholder the higher term rate of the five year combined option policy. Therefore, no applications on the five year option policy will be accepted after September 15th next.

"In the monthly income section a new form of continuous monthly income policy has been added. This new policy gives an income of $10 per month for life, but with only 120 monthly payments guaranteed. Naturally the rates on this new form are somewhat lower than the 240 monthly payments guaranteed and doubtless under present day conditions this lower premium will stimulate sales on this type of policy."

## Sarnia Gives Policy To Western Assurance

City Council of Sarnia have taken out a public liability insurance policy with the Western Assurance Co. in the amount of $10,000 for one person and $20,000 for one accident. The premium is to be 1,270.92.

The policy was recommended by the finance committee but met opposition in council. Mayor Barr was called on to break a tie vote. An amendment was suggested which would have left the matter open till the next meeting to enable the Globe Indemnity Co. to have an opportunity to figure on the contract, but it did not carry. The contract has been carried by Globe Indemnity for 8 years and A. E. Wilson, of Toronto, was present to ask why the city was not renewing its insurance. It was established that there had been no fault to find with the previous contract but since the rate had been raised, and no provision was made in the budget for insurance this year, the plan to take a policy with Western Assurance during the interval had been broached and approved by the finance committee. In the last three years the city has paid out $3,242 in premiums and received $3,173 in claims payments.

The policy will be extended to cover the city's liability in connection with the public library, city hall, market building, new operations of the waterworks and board of works departments, at an estimated additional cost of $200 per annum. Damage to property is not included in this.

## Weekly Bank Clearings

**Eastern Cities**

| | Sept. 17, 1931 | Sept. 15, 1932 |
|---|---|---|
| Halifax | $ 2,901,072 | $ 1,953,942 |
| St. John | 2,293,557 | 2,001,322 |
| Moncton | 671,713 | 552,803 |
| Sherbrooke | 649,849 | 536,830 |
| Quebec | 4,810,122 | 3,669,443 |
| Ottawa | 6,198,324 | 4,072,270 |
| Montreal | 87,575,151 | 75,448,698 |
| Kingston | 791,968 | 535,189 |
| Peterboro | 713,784 | 653,366 |
| Toronto | 87,575,151 | 82,296,128 |
| Hamilton | 4,661,546 | 3,463,865 |
| Brantford | 852,257 | 691,646 |
| London | 2,443,642 | 1,989,120 |
| Chatham | 395,324 | 397,309 |
| Windsor | 2,347,789 | 2,063,652 |
| Sarnia | 418,673 | 339,420 |
| Sudbury | 647,892 | 481,910 |
| Kitchener | ....... | 745,374 |

**Western Cities**

| | Sept. 17, 1931 | Sept. 15, 1932 |
|---|---|---|
| Fort William | $ 639,305 | $ 574,048 |
| Winnipeg | 42,814,701 | 40,729,923 |
| Brandon | 369,052 | 342,653 |
| Regina | 4,171,025 | 4,878,230 |
| Saskatoon | 1,784,960 | 1,408,465 |
| Prince Albert | 305,326 | 226,949 |
| Edmonton | 4,020,701 | 3,515,419 |
| Calgary | 6,103,479 | 4,976,849 |
| Medicine Hat | 286,650 | 187,594 |
| Lethbridge | 407,736 | 361,765 |
| New Westminster | 546,151 | 444,501 |
| Vancouver | 14,102,671 | 11,368,513 |
| Victoria | 1,903,399 | 1,349,987 |
| Moose Jaw | 655,600 | 480,754 |

# Insurance for Buyer and Seller

## LIFE CONVENTION TAKES ROLL CALL OF CANADIAN BORN

### Finds 35 Canadians Now Prominent in U.S.A. Life Insurance

Advance publicity for the American Life Convention which meets for the first time outside the United States, at Toronto on October 3, reveals that there are 35 men of Canadian birth who have made an outstanding success of the life insurance business in the United States. Foremost among these is J. M. Laird, vice-president of the Connecticut General Life Insurance Co., of Hartford, president of the convention who was born at Bayfield, Ont., and was educated at the University of Toronto. Dr. Harry W. Dingman, of Chicago, head of the medical section of the convention is another Canadian who hails from Winnipeg.

The convention will meet for a week in Toronto and will discuss major problems of the business. Some 140 companies are represented which have in force over $32,000,000,000 of business and assets of about $5,000,000,000. The convention was organized 27 years ago in St. Louis, Missouri and the main body will meet October 5, 6 and 7. The legal section of the convention will hold sessions on October 3 and 4.

**Canadians Active**

Two leading Canadian insurance executives, namely T. B. Macaulay, president of the Sun Life and A. N. Mitchell, general manager of the Canada Life are vice-presidents of the convention. Canadians on the programme include A. Gordon Ramsay, assistant general manager of the Canada Life; J. G. Parker, actuary of the Imperial Life who will discuss "The Effect of the Financial Readjustment on Life Insurance;" H. B. Anderson, M.D., medical director of the Imperial Life who will be the representative of the medical section on the main programme and will speak on October 6, and J. H. Domelle, secretary of the Canada Life who is chairman and presiding officer of the home office management section of the convention.

**Some of Chief Speakers**

Other important subjects and speakers include:

Merle Thorpe, editor, Nation's Business.

"The Reserve Power of Life Insurance," by H. A. Behrens, president, Continental Assurance.

"Looking Behind the Scenes in Air Transport Operation," by T. Park Hay, representative of the Trans-Continental and West Air, Inc., New York.

"Aspects of American Finance," by John J. O'Connon, manager, finance department, U. S. Chamber of Commerce.

"Home Office Staff," by J. B. Slimmons, secretary, Aetna Life.

"Budget Control," by Adolph A Rydgren, president, Continental American.

"Auditing," by E. G. Brown, vice-president and actuary, Southwestern Life.

**Committee in Arrangements**

A special Canadian committee which has made arrangements for the Toronto gathering is as follows:

C. S. Macdonald, president, Confederation Life Association, chairman; A. N. Mitchell, general manager and director, Canada Life; J. F. Weston, managing director, Imperial Life; R. Leighton Foster, superintendent of insurance, Province of Ontario; V. R. Smith, general manager, Confederation Life Association; A. Gordon Ramsay, general manager and general superintendent, Canada Life; J. H. Birkenshaw, associate actuary, Confederation Life; Norman Watt, assistant superintendent, Canada Life; J. M. Pauline, assistant secretary, Imperial Life, and J. G. Parker, actuary, Imperial Life.

**Prominent Ex-Canadians**

Among the men prominent in life insurance in the United States who were born in Canada are the following:

S. E. Allison, vice-president and actuary, Pan-American Life.

Max S. Bell, actuary, Continental American.

J. P. Bowerman, actuary, George Washington Life.

A. S. Buckhart, vice-president, Conservative Life.

D. F. Campbell, independent actuary, Chicago, Ill.

A. E. Childs, president, The Columbian National.

G. I. Cochran, president, Pacific Mutual.

Walton L. Crocker, president, John Hancock Mutual.

James I. Dissette, vice-president, State Life of Indianapolis.

James Fairlie, first vice-president and actuary, Abraham Lincoln Life.

C. R. Fitzgerald, actuary, State Mutual.

Joseph C. Grosjean, vice-president and medical director, Agricultural Life.

R. C. Guest, assistant actuary, State Mutual.

Robert Henderson, vice-president and actuary, Equitable Society.

Alfred Hurrell, vice-president and general counsel, The Prudential.

W. A. Jaquith, vice-president and medical director, National Life of the U. S. A.

Frank Russell, actuary, Franklin Life.

William Koch, president, National Life of Des Moines.

Alfred MacArthur, president, Central Life of Illinois.

R. J. Maclellan, president, Provident Life and Accident.

S. F. McClung, secreary and director, Pacific Mutual.

C. I. D. Moore, vice-president, Pacific Mutual.

Francis H. Morgan, secretary, Missouri State Life.

Cyrus P. Orr, president, Southern Life & Health.

George B. Pattison, secretary and actuary, Peoria Life.

T. A. Phillips, president, Minnesota Mutual.

T. A. Robertson, superintendent of agencies, Sterling Life Health & Accident.

Joseph H. Sargent, secretary, Northern Life.

Jonathan G. Sharp, consulting actuary, New York.

John S. Thompson, vice-president and mathematician, Mutual Benefit.

Dwight A. Walker, second vice-president, and associate actuary, Equitable Society.

W. A. Watt, mathematician, National Life of Vt.

Thomas O. Young, president, Farmers & Traders.

## Licenses Issued

**Pearl Assurance Co., Ltd.**, received a certificate of registry on September 13 to transact accident insurance, excluding insurance against damage by accident to employees, burglary insurance, guarantee insurance, and inland transportation insurance,

## Ordinary Life Insurance*

| | 1927 | 1928 | 1929 | 1930 | 1931 | 1932 |
|---|---|---|---|---|---|---|
| January .. | $36,986,000 | $47,569,000 | $49,739,000 | $45,074,000 | $41,188,000 | $37,331,000 |
| February . | 35,525,000 | 39,962,000 | 47,140,000 | 43,925,000 | 40,180,000 | 38,145,000 |
| March .... | 42,883,000 | 44,823,000 | 48,066,000 | 49,047,000 | 46,945,000 | 37,467,000 |
| April ..... | 41,631,000 | 46,718,000 | 51,842,000 | 51,649,000 | 45,648,000 | 33,629,000 |
| May ...... | 44,553,000 | 49,581,000 | 50,547,000 | 48,871,000 | 41,314,000 | 30,998,000 |
| June ..... | 45,298,000 | 51,884,000 | 53,402,000 | 54,168,000 | 46,227,000 | 40,963,000 |
| July ...... | 39,962,000 | 49,492,000 | 54,809,000 | 46,505,000 | 39,977,000 | 34,469,000 |
| August ... | 38,360,000 | 43,503,000 | 41,329,000 | 36,249,000 | 35,738,000 | 28,370,000 |
| Sept. ..... | 35,000,000 | 38,872,000 | 43,013,000 | 38,994,000 | 30,066,000 | ....... |
| October ... | 48,104,000 | 55,743,000 | 50,894,000 | 44,527,000 | 36,006,000 | ....... |
| Nov. ...... | 44,935,000 | 54,865,000 | 55,624,000 | 46,186,000 | 38,860,000 | ....... |
| Dec. ...... | 48,899,000 | 56,647,000 | 54,189,000 | 49,026,000 | 47,163,000 | ....... |
| Total, first 8 months, 1932 | | | | | | $281,272,000 |
| Total, first 8 months, 1931 | | | | | | $337,217,000 |
| Decrease, first 8 months, 16.5% | | | | | | $ 55,845,000 |
| Decrease, August, 1932 from August, 1931, 20.6% | | | | | | $ 7,368,000 |

*Companies having in force 84 per cent of total outstanding business in Canada as at Jan. 1, 1931. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut

## HAIL COMPANIES HAVE COMPLETED GOOD SEASON

### Fewer Companies Get Lucky Break on Loss Ratio

Prairie hail insurance, which in the "old" days used to net Canadian line insurance companies a premium income of between $5,000,000 and $7,000,000 annually, staged a nice comeback this year according to reports to The Financial Post by leading companies writing in this important branch of casualty business.

The hail cover in the West expires on September 15, and with the year's experience behind them companies are expecting a loss ratio of slightly better than 30 per cent which ranks with the best experience of the past decade. On only one occasion since 1920 have losses dropped below the 30 per cent mark, namely 1929 when federally-licensed companies reported a loss ratio of 28.2 per cent. The next smallest ratio was a 37 per cent loss in 1922.

**Volume Better**

Volume of business which last year dropped to a new post-war low of $573,000, also showed a good recovery in 1932 and although it is not expected that this year's figures will be over the $1,000,000 mark, some companies report volume of business as nearly double that of last year while others show a 25 to 30 per cent gain. Since fewer companies are operating this year the volume of business per company will also show some improvement. Early in the year it was announced that of the member companies of the Canadian Hail Underwriters' Association, only 49 were operating in Saskatchewan for the season as compared with 53 last year, while in Alberta 7 companies withdrew leaving only 32 in the field.

The trend of hail experience as recorded for federally-licensed companies during the past twelve years is as follows:

| | Net Premiums Written | Net Losses Incurred | Ratio % |
|---|---|---|---|
| 1920 ..... | $5,800,026 | $2,371,270 | 40.9 |
| 1921 ..... | 4,371,348 | 4,718,786 | 107.9 |
| 1922 ..... | 4,402,427 | 1,635,347 | 37.1 |
| 1923 ..... | 5,322,642 | 5,119,347 | 96.1 |
| 1924 ..... | 3,687,107 | 2,004,957 | 54.3 |
| 1925 ..... | 5,397,594 | 2,267,390 | 39.4 |
| 1926 ..... | 4,803,004 | 3,185,047 | 66.3 |
| 1927 ..... | 6,370,000 | 6,875,000 | 107.9 |
| 1928 ..... | 7,324,114 | 7,356,321 | 100.44 |
| 1929 ..... | 3,709,197 | 1,039,479 | 28.2 |
| 1930 ..... | 2,856,091 | 2,592,646 | 90.8 |
| 1931 ..... | 573,997 | 480,377 | 83.7 |

Not only has the general average been good but by areas, the 1932 experience has also been favorable it is reported. Last year the loss ratio was exceedingly spotty with losses ranging from as low as 13 per cent in Manitoba to as high as 134 per cent in Alberta.

**Deductible Clause General**

Feature of the 1932 business has been the general adoption of the deductible clause in the hail contract. Last year this deductible clause was tried out with success in Saskatchewan and this year it was extended to Alberta and the coverage widened so that both a 10 and 25 per cent deductible policy was available. This means that a farmer taking a 25 per cent deductible policy on a $1,000 crop would get his insurance for half the rate and would himself be responsible for 25 per cent of the loss incurred. As yet no definite information is available as to how much of the year's business was written on the deductible plan but it is thought that a good volume has been done in this way.

Over the past five years the record of the hail business in the West has been exceedingly unfortunate ever since the years 1927 and 1928 when losses aggregating over $14,000,000 were experienced by federal licensed companies on a premium income of about $13,500,000. Since that time premium income has dropped substantially due to smaller crops and lower prices while the number of companies in the field has also declined. Whether the favorable experience will again attract companies into the field remains to be seen.

## Montreal Institute Elects New Officers

Although feeling the effects of decreased membership, reports of a successful season were presented at the annual meeting of the fire and casualty branch of the Insurance Institute of Montreal held recently. D. A. Hanson of Lewis, Apedaile and Hanson was elected president for the coming year to succeed R. J. McCormack, president during 1931-32. The institute now numbers 69 fellows and 241 ordinary members, a decrease of 194 compared with the previous year. The reduction was attributed to the substantial reduction in office staffs which has taken place as a result of depressed conditions and declining premium income.

Two new developments were announced namely the amalgamation into the Institute, of the Canadian Insurance Accountants Association and election of a student committee of 6 members to be elected annually. Duties of this committee will be to act in an advisory capacity to the council and give effect.

New officers for 1932-33 are as follows:

Hon. presidents—J. W. Binnie, Globe & Rutgers; P. L. Monkman, Yorkshire; E. J. Kay, North British & Mercantile; president—D. A. Hanson of Lewis, Apedaile & Hanson; vice-presidents—Frank S. Johnson, General Casualty of Paris, and E. Marshall, Employers Liability; secretary—F. T. Broadbelt, North British & Mercantile; treasurer—F. E. Dufty, Yorkshire; librarian, J. R. Wright.

## Insurance Sales Show Decline To 1924 Level

Monthly sales of ordinary life insurance in Canada and Newfoundland dropped below the $30,000,000 mark for the first time since 1924, according to August figures released this week by the Sales Research Bureau of Hartford, Conn. It is not since August, 1924, when ordinary sales were $27,893,000 that less than $30,000,000 has been sold in any month according to bureau computations.

Compared with a year ago, August sales are lower by 20 per cent, the 1932 figure being $28,370,000. For the year to date, however, the showing has been remarkably good with business only 16.5 per cent below the 1931 record.

Sales by provinces for August were: Alberta, $1,396,000; British Columbia, $1,816,000; Manitoba, $1,711,000; New Brunswick, $699,000; Nova Scotia, $1,004,000; Ontario, $11,608,000; P. E. I., $94,000; Quebec, $8,533,000; Saskatchewan, $1,263,000; Newfoundland, $246,000.

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SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

## New Investors Bond Issued By London Life

London Life Insurance Co. has issued a new contract called the monthly investor's bond. This is the first time this company has included such a contract in their portfolio and a typical example shows that in the case of a bond maturing at age 65 a premium of $25 a month will purchase the following amounts:

| | |
|---|---|
| Age 25 ................ | $13,835 |
| Age 30 ................ | 11,834 |
| Age 40 ................ | 7,492 |

If dividends on the present scale were left to accumulate they would be sufficient to pay the last 14 year's deposits, the company states.

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President, J. B. Coyne, K.C., Winnipeg, Man.
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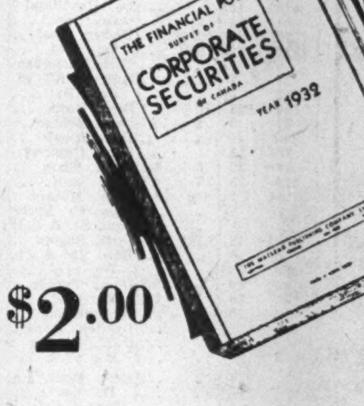

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# WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

## *Montreal, Toronto & Curb Markets*

WEEK ENDING SEPTEMBER 19

| Range 1932 High | Low | Divd. Rate in $ | Yield in % Sept. 17 | | Sales | Close Sept. 12 (or last) | Week Ending —Sept. 19— High | Low | Close |
|---|---|---|---|---|---|---|---|---|---|
| 3.25 | .60 | . | ... | Abitibi | 555 | 1.75 | 1.62 | 1.12 | 1.25 |
| 10 | 2 | . | ... | Do. pref. | 95 | 5½ | 5 | 3½ | 4 |
| x105 | 80 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 80 | 80 | 7 | ... | Acme F. D'y, p | .... | 80 | .. | .. | .. |
| 5 | 4½ | . | ... | Agnew Surp. | 5 | 5 | 5 | 5 | 5 |
| 70 | 70 | 7 | ... | Do. pref. | .... | 70 | .. | .. | .. |
| 7½ | 3½ | . | ... | Alta. Pac. Gr. | 80 | 7½ | 7½ | 7 | 7½ |
| 45 | 19 | . | ... | Do. pref. | .... | 45 | .. | .. | .. |
| 3½ | 1½ | . | ... | Amal. Electric | .... | 1½ | .. | .. | .. |
| 11 | 7 | . | ... | Do. pref. | 10 | 9 | 7 | 7 | 7 |
| x3½ | 2½ | . | ... | Anglo. N. Hold. | .... | .. | .. | .. | .. |
| .37 | .15 | . | ... | Asbestos | .... | .15 | .. | .. | .. |
| 1.00 | .60 | . | ... | Do. pref. | .... | .60 | .. | .. | .. |
| 7 | 4 | 60c | 8.8 | Assoc. Brew. | 65 | 7 | 6¾ | 6¾ | 6¾ |
| 71 | 65 | 7 | 9.8 | Do. pref. | .... | 71 | .. | .. | .. |
| 3 | 3 | . | ... | Assoc. Can. | .... | 3 | .. | .. | .. |
| x69 | 65 | . | ... | Assoc. Tele. | .... | .. | .. | .. | .. |
| 30 | 16 | . | ... | Atlan. Sugar | .... | 20¾ | .. | .. | .. |
| 120 | 92 | . | ... | Do. pref. | .... | 120 | .. | .. | .. |
| 159½ | 127 | 10 | 7.8 | Bk. Can. Nat. | 21 | 128 | 128½ | 128 | 128½ |
| 225 | 150 | 10 | 5 | Bk. Montreal | 101 | 200 | 200 | 197 | 199½ |
| 275 | 238 | 14 | 5.2 | Bk. N. Scotia | 33 | 267 | 267 | 262½ | 263½ |
| 193 | 125 | 10 | 5.6 | Bk. Toronto | 10 | 177 | 177½ | 176 | 177½ |
| 10½ | 10½ | . | ... | Barcelona | .... | 10½ | .. | .. | .. |
| 3 | 1 | . | ... | Bathurst Pr. | 35 | 2 | 1½ | 1½ | 1½ |
| 1½ | ½ | . | ... | Do. (B) | 28 | 1 | 1½ | 1½ | 1½ |
| x26 | 26 | . | ... | Bawlf Grain | .... | .. | .. | .. | .. |
| 18 | 18 | . | ... | Do. pref. | .... | 18 | .. | .. | .. |
| 5 | 3 | . | ... | Beath & Sons | 100 | 4 | 3 | 3 | 3 |
| 10½ | 3½ | . | ... | Beatty Bros. A | .... | 9 | .. | .. | .. |
| 60 | 41 | 6 | 10.5 | Do. pref. | .... | 57 | .. | .. | .. |
| 3.50 | .40 | . | ... | Beauharnois | 9562 | 1.87 | 1.87 | 1.62 | 1.75 |
| x93 | 55 | 7 | ... | Belding Cort. | .... | .. | .. | .. | .. |
| 90 | 65 | 7 | 7.8 | Do. pref. | .... | 90 | .. | .. | .. |
| 120 | 75 | 7 | 6.8 | Bell Telephone | 862 | 104 | 104 | 102 | 102½ |
| 4 | 2 | . | ... | Biltmore Hats | .... | 4 | .. | .. | .. |
| 50 | 50 | 7 | 14 | Do. pref. | .... | 50 | .. | .. | .. |
| 4 | 1½ | . | ... | Bissell, T. E. | .... | 1½ | .. | .. | .. |
| x97 | 88 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 8 | 2 | . | ... | Blue Ribbon | .... | 3 | .. | .. | .. |
| 25 | 9 | 2 | 10 | Do. pref. | 20 | 16 | 20 | 17 | 20 |
| 20 | 17½ | 2 | 11.1 | Brant Cd. pf. | .... | 18 | .. | .. | .. |
| 14¾ | 7¾ | 25c+4%§ | ... | Brazilian Tr. | 29597 | 12½ | 12½ | 10¾ | 11¼ |
| .75 | .40 | . | ... | Brew. & Distil. | .... | .75 | .. | .. | .. |
| 1 | ¾ | . | ... | Brewing Corp. | 215 | 1 | 1 | ¾ | ¾ |
| 3½ | 1 | . | ... | Do. pref. | 60 | 1½ | 2½ | 1½ | 2½ |
| 11½ | 8½ | 80c | 7.8 | Brit. Amer. Oil | 3557 | 10½ | 10¾ | 10 | 10 |
| 3.50 | .60 | . | ... | B.C. Packers | 835 | 2.25 | 3.50 | 1.75 | 3.50 |
| 8½ | 4 | . | ... | Do. pref. | .... | 8½ | .. | .. | .. |
| 28 | 15 | 2 | 8.2 | B.C. Power A. | 565 | 25⅛ | 25½ | 23⅞ | 23⅞ |
| 7½ | 3¾ | . | ... | Do. (B) | 925 | 6 | 6¼ | 5 | 5½ |
| 6½ | 2 | . | ... | Bruck S. Mills | 205 | 5 | 5 | 5 | 5 |
| 20½ | 10 | 1 | 6.2 | Building Prod. | .... | 16 | .. | .. | .. |
| 32 | 17 | 2.40 | 8.4 | Burt, F. N. | 35 | 30 | 28½ | 28½ | 28½ |
| 125 | 120 | 6 | 5 | Calgary Pr. | .... | 120 | .. | .. | .. |
| 4 | 1½ | . | ... | Canada Bread | 15 | 3 | 3 | 3 | 3 |
| 85 | 80 | 7 | 8.2 | Do. pref. A. | .... | 85 | .. | .. | .. |
| 25 | 20 | 2 | 8 | Do. pref. B. | 20 | 25 | 25 | 25 | 25 |
| 9 | 6½ | 1 | 12.9 | Canada Bud | 375 | 7½ | 7½ | 7½ | 7¾ |
| 7 | 2 | . | ... | Canada Cement | 1404 | 5⅛ | 5⅛ | 4¾ | 4¾ |
| 66 | 20 | . | ... | Do. pref. | 133 | 33½ | 35 | 33 | 33 |
| b15 | 6 | 1.20 | 9.9 | Canada Dry | 9100 | 12⅞ | 13½ | 11½ | 12 |
| 6 | 2 | . | ... | Can. Forg. (A) | .... | 2 | .. | .. | .. |
| 7½ | 2 | . | ... | Do. (B) | .... | 7½ | .. | .. | .. |
| x68 | 60 | . | ... | Canada Iron | .... | .. | .. | .. | .. |
| x80 | 75 | 3 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 15½ | 8½ | 1.50 | 10.3 | Can. Malting | 1203 | 14½ | 15½ | 14 | 14 |
| 15 | 9 | 80c | 5.7 | Can. Nor. Pr. | .... | 14 | .. | .. | .. |
| 92 | 52½ | 7 | 9.3 | Do. pref. | 9 | 75 | 75 | 75 | 75 |
| x6 | ¾ | . | ... | Can. Paving | .... | .. | .. | .. | .. |
| x51 | 10½ | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 186 | 135 | 12 | 7.3 | Can. Perman. | 10 | 155 | 165 | 161 | 162 |
| 1.00 | .50 | . | ... | Can. Pr. & Pa. | 20 | .55 | .55 | .55 | .55 |
| 3½ | ¾ | . | ... | Can. Steamsh's | 85 | 3 | 3½ | 3 | 3½ |
| 11½ | 1 | . | ... | Do. pref. | 155 | 11 | 10½ | 10 | 10½ |
| 17 | 9½ | 1.60 | 9.7 | Can. Vinegars | 110 | 16½ | 16½ | 16 | 16 |
| 55 | 28½ | . | ... | Can. W. Cable | .... | 32 | .. | .. | .. |
| 18 | 4 | . | ... | Do. (B) | 60 | 13 | 14 | 13 | 13 |
| 1½ | 1½ | . | ... | Can. Bakeries | .... | 1½ | .. | .. | .. |
| 14 | 10 | . | ... | Do. pref. | .... | 10 | .. | .. | .. |
| 191 | 123 | 10 | 5.9 | Can. Bk. Com. | 140 | 168 | 170 | 164½ | 166 |
| 18 | 9 | 1.25 | 7.8 | Can. Bronze | 45 | 17 | 16 | 16 | 16 |
| 102 | 70 | 7 | 7.8 | Do. pref. | 10 | 75 | 90 | 90 | 90 |
| 6½ | 1½ | . | ... | Can. Canners | .... | 4½ | .. | .. | .. |
| 80 | 40 | 6 | 9.5 | Do. 1st pfd. | 22 | 68 | 68 | 61½ | 64 |
| 9 | 3½ | 40c | 6.7 | Do. 2nd pfd. | 110 | 6½ | 6½ | 6 | 6 |
| 8½ | 2¾ | 60c | 9.4 | Can. Car & F'y | 2260 | 7½ | 6¾ | 6 | 6¾ |
| 19½ | 10 | 1.75 | 10 | Do. pref. | 684 | 16½ | 17½ | 16 | 17¼ |
| 8½ | 3¾ | . | ... | Can. Celanese | 660 | 8 | 8 | 8 | 8 |
| 66 | 42 | 7 | 10.9 | Do. pref. | 55 | 65 | 66 | 64½ | 65 |
| 20 | 20 | 2 | 10 | Can. Convert. | 25 | 20 | 20 | 20 | 20 |
| ‡50 | 45 | . | ... | Can. Cottons | .... | .. | .. | .. | .. |
| 60 | 50 | 6 | 12 | Do. pref. | .... | 50 | .. | .. | .. |
| 17 | 7 | . | ... | Can. Dredge | 20 | 13 | 13½ | 13½ | 13½ |
| x92 | 92 | 7 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 68 | 60 | 6 | 9.4 | Can. Fairb. pf. | .... | 64 | .. | .. | .. |
| 4 | 3 | . | ... | Can. For. Inv. | .... | 3 | .. | .. | .. |
| 65 | 55 | . | ... | Do. pref. | .... | 55 | .. | .. | .. |
| 180 | 115 | 4 | 3.5 | Can. Gen. Elec. | .... | 115 | .. | .. | .. |
| 59 | 50 | 3.50 | 6.2 | Do. pref. | 95 | 56 | 56 | 55 | 55 |
| 3¾ | 3¾ | . | ... | Can. G. Inv. T. | 200 | .. | 3¾ | 3¾ | 3¾ |
| 66 | 29 | 6 | 10.5 | Can. Hyd. El. p | 98 | 60½ | 60½ | 56 | 56 |
| 3 | ½ | . | ... | Can. Ind. Alc. | 2005 | 2½ | 2½ | 2½ | 2½ |
| 2.00 | .30 | . | ... | Do. (B) | 310 | 1.75 | 2.00 | 1.50 | 2.00 |
| x5.00 | 3.95 | . | ... | Can. Int. I. Tr. | .... | .. | .. | .. | .. |
| x70 | 64½ | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 20 | 18 | 1 | 5.5 | Can. Lt. & Pr. | .... | 18 | .. | .. | .. |
| 1½ | 1 | . | ... | Can. Locomo. | .... | 1 | .. | .. | .. |
| x25 | 5 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| b2½ | ½ | . | ... | Can. Marconi | 16300 | 2 | 1⅞ | 1⅞ | 1⅞ |
| 13 | 7 | 1 | 8.7 | Canadian Oil | 35 | 12½ | 11½ | 11 | 11 |
| 100 | 84 | 8 | 8 | Do. pref. | 15 | 95 | 100 | 100 | 100 |
| 22½ | 8½ | . | ... | Can. Pacific | 32248 | 18¾ | 19¾ | 16½ | 17¾ |
| 3 | 1½ | . | ... | Can. Vickers | .... | 3 | .. | .. | .. |
| 20½ | 20½ | . | ... | Do. pref. | .... | 20½ | .. | .. | .. |
| 3½ | 1 | 20c | 6.7 | Can. Wineries | 55 | 2½ | 3½ | 3 | 3 |
| 7½ | 4½ | 1 | 15.4 | Can. Wire Box | 10 | 5 | 6½ | 6½ | 6½ |
| 12 | 7 | . | ... | Catelli Mac A. | 100 | 7 | 7 | 7 | 7 |
| x5 | 5 | . | ... | Do. (B) | .... | .. | .. | .. | .. |
| x301 | 290 | 10 | ... | Cent. Can. L'n | .... | .. | .. | .. | .. |
| 2.05 | .50 | . | ... | Chem. Research | 3025 | 1.20 | 1.02 | 1.00 | 1.00 |
| 8½ | 3 | . | ... | Cockshutt Plow | 410 | 7½ | 7½ | 6 | 6½ |
| 2 | ½ | . | ... | Comm. Alcohol | .... | 1½ | .. | .. | .. |
| 3½ | 1 | . | ... | Conduits | .... | 1½ | .. | .. | .. |
| x94 | 84 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 8 | 3½ | 50c | 9.5 | Cons. Bakeries | 447 | 6 | 6 | 5 | 5 |
| 5 | 1 | . | ... | Cons. Industries | .... | 4 | .. | .. | .. |
| 4 | 4 | . | ... | Cons. Paper | .... | 4 | .. | .. | .. |
| 15 | 5 | . | ... | Cons. Press | .... | 6 | .. | .. | .. |
| 35 | 30 | 2 | 5.7 | Cons. Sand. pf. | .... | 35 | .. | .. | .. |
| 102 | 25 | . | ... | Cons. Smelters | 9780 | 86½ | 86¾ | 74 | 78 |
| 170 | 142 | 10 | 5.9 | Consumers Gas | 47 | 169 | 170 | 168 | 168 |
| ‡35 | 30 | . | ... | Cooksville Co. | .... | .. | .. | .. | .. |
| ‡85 | 85 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| ‡90 | 90 | . | ... | Corr. P. Box. p | .... | .. | .. | .. | .. |
| 3½ | 2½ | . | ... | Cosgrave Brew. | 300 | 3½ | 3½ | 3½ | 3½ |
| 5½ | 2 | . | ... | Cosmos Imp. | 150 | 2½ | 5⅛ | 5 | 5⅛ |
| 68 | 40 | 3.50 | 7.6 | Do. pref. | 5 | 43 | 46 | 46 | 46 |
| 3 | 2 | . | ... | Crown Dom. Oil | .... | 2½ | .. | .. | .. |
| 20 | 8 | 4 | ... | Crow's N. Coal | 15 | 20 | 15 | 15 | 15 |
| 1½ | 1½ | . | ... | David & Fre. B | .... | 1½ | .. | .. | .. |
| x12½ | 12½ | . | ... | De Havilland | .... | .. | .. | .. | .. |
| 15 | 10 | . | ... | Do. pref. | .... | 10 | .. | .. | .. |
| x9 | 5 | . | ... | Disher Steel | .... | .. | .. | .. | .. |
| x10 | 10 | 1.50 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 7½ | 3½ | . | ... | Distill-Seagram | 495 | 6 | 6½ | 5¾ | 5¾ |
| 7 | 7 | . | ... | Dodge "A" pf. | .... | 7 | .. | .. | .. |
| 2 | 1½ | . | ... | Do. (B) | .... | 2 | .. | .. | .. |
| 194 | 125 | 10 | 6.1 | Dom. Bank | 40 | 166 | 165 | 165 | 165 |
| 27 | 9 | 2 | 10.7 | Dom. Bridge | 1848 | 20 | 19⅞ | 18 | 18 |
| x40 | 40 | . | ... | Dom. Coal | .... | .. | .. | .. | .. |
| 22½ | 12 | . | ... | Dom. Engineer. | 5 | 16 | 16 | 16 | 16 |
| 78 | 30 | 5 | 6.4 | Dom. Glass | .... | 78 | .. | .. | .. |
| 112 | 85 | 7 | 6.9 | Do. pref. | .... | 102 | .. | .. | .. |
| 5½ | 1½ | 20c | 8.9 | Dom. Motors | 55 | 2½ | 2½ | 2½ | 2½ |
| 7½ | 3½ | . | ... | Dom. Pr. Stubs | .... | 6 | .. | .. | .. |
| 3 | 1 | . | ... | Dom. St. & C B | 225 | 2 | 2 | 1½ | 2 |
| 20½ | 13 | 1.20† | 6.8 | Dom. Stores | 1360 | 18 | 18⅞ | 17 | 17 |
| 5 | 2 | . | ... | Dom. Tar & Ch. | 95 | 3 | 3 | 3 | 3 |
| x95 | 79½ | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 63½ | 39 | 5 | 9.2 | Dom. Textile | 175 | 59 | 57 | 54 | 57 |
| 105 | 70 | 7 | 7.1 | Do. pref. | 50 | 98 | 100 | 99 | 99 |
| x12 | 10 | . | ... | Donnacona | .... | .. | .. | .. | .. |
| 3 | ½ | . | ... | Dryden Paper | 255 | 2½ | 2¾ | 2 | 2 |
| 4 | 2 | . | ... | Duff. Paving | .... | 2 | .. | .. | .. |
| 49 | 26 | . | ... | Do. pref. | .... | 26 | .. | .. | .. |
| 20 | 3 | . | ... | East. Koot. Pr. | .... | 3 | .. | .. | .. |
| x97 | 94½ | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 16 | 9 | . | ... | East. Dairies | 183 | 10 | 10 | 9 | 9 |
| 9½ | 9½ | 1 | 10.5 | Eastern Steel | .... | 9½ | .. | .. | .. |
| x100 | 97 | 7 | ... | Do. pref. | .... | .. | .. | .. | .. |
| ‡34 | 28½ | 2 | ... | East. Theatres | .... | .. | .. | .. | .. |
| x85 | 80 | 7 | ... | Do. pref. | .... | .. | .. | .. | .. |
| x3½ | 3½ | . | ... | Easy Washer | .... | .. | .. | .. | .. |
| 9 | 4½ | 75c | 10 | Economic Inv. | 25 | 7½ | 7½ | 7½ | 7½ |
| x15 | 15 | . | ... | Edmonton D'y | .... | .. | .. | .. | .. |
| x80 | 78½ | 6.50 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 4 | 4 | . | ... | Enam. & Heat. | .... | 4 | .. | .. | .. |
| 19 | 6 | . | ... | Eng. Electric | .... | 8 | .. | .. | .. |
| 2½ | 1½ | . | ... | Do. (B) | 50 | 2 | 2 | 1⅞ | 2 |
| 8 | 6 | . | ... | Fam. Players | .... | 7 | .. | .. | .. |
| 10 | 7½ | . | ... | Do. Vot. Tr. | .... | 10 | .. | .. | .. |
| 10 | 9 | . | ... | Fanny Farmer | .... | 9 | .. | .. | .. |
| 29 | 25 | 2.40 | 9.6 | Do. pref. | .... | 25 | .. | .. | .. |
| x83½ | 75 | . | ... | Firstbrook Box | .... | .. | .. | .. | .. |
| 16¾ | 5¾ | . | ... | Ford Motors A | 3806 | 11 | 10⅞ | 9½ | 9½ |
| 3½ | 1⅞ | . | ... | For. Pr. Secs. | 35 | 3 | 2½ | 2½ | 2½ |
| 9 | 4 | . | ... | Foundation Co. | .... | 5 | .. | .. | .. |
| 1.25 | .25 | . | ... | Fraser Cos. | 300 | .60 | .60 | .50 | .50 |
| 50 | 50 | . | ... | Front. Brew. | .... | 50 | .. | .. | .. |
| 50 | 50 | . | ... | Do. pref. | .... | 50 | .. | .. | .. |
| x8 | 5 | . | ... | Frost Steel | .... | .. | .. | .. | .. |
| x96½ | 85 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 2½ | ½ | . | ... | Gen. St. Wares | 226 | 1¾ | 1¾ | 1½ | 1¾ |
| 84 | 38 | 5 | 6.7 | Goodyear Tire | 5 | 80 | 75 | 75 | 75 |
| 93½ | 70 | 7 | 7.5 | Do. pref. | 55 | 92 | 93 | 92 | 92 |
| x93½ | 93½ | . | ... | Gould Pumps p | .... | .. | .. | .. | .. |
| 1¾ | ⅜ | . | ... | G. W. Saddlery | .... | 1¾ | .. | .. | .. |
| 7 | 5 | . | ... | Do. pref. | .... | 5 | .. | .. | .. |
| 21 | 8 | 1 | 10 | Gurd, Chas. | 315 | 10½ | 10 | 10 | 10 |
| 106 | 100 | 7 | 7 | Do. pref. | .... | 100 | .. | .. | .. |
| 5 | 2 | . | ... | Gypsum, Lime | 215 | 4 | 4 | 3½ | 3½ |
| 7 | 2 | . | ... | Ham. Bridge | 446 | 6 | 5½ | 5 | 5 |
| 60 | 44½ | 6.50 | 14.4 | Do. pref. | .... | 45 | .. | .. | .. |
| 10 | 6 | . | ... | Ham. Cot., pf. | .... | 6 | .. | .. | .. |
| 2½ | 1½ | . | ... | Ham. U. Theat. | .... | 2½ | .. | .. | .. |
| 53 | 48 | 7 | 14 | Do. pref. | .... | 50 | .. | .. | .. |
| 4 | 2 | . | ... | Hayes Wheel | .... | 2 | .. | .. | .. |
| ‡95 | 80 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| ‡50 | 50 | . | ... | Hillcrest Coll. | .... | .. | .. | .. | .. |
| ‡91 | 91 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 2½ | 1 | . | ... | Hinde & Dauch | 125 | 2½ | 2 | 2 | 2 |
| x75 | 75 | . | ... | Holt Renfrew | .... | .. | .. | .. | .. |
| ‡96½ | 90 | 7 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 3½ | ½ | . | ... | Honey Dew | 50 | 1 | 2½ | 2½ | 2½ |
| 40 | 10 | . | ... | Do. pref. | .... | 10 | .. | .. | .. |
| 4 | 2 | . | ... | H. Smith Pap. | 100 | 3 | 3 | 3 | 3 |
| 27 | 16 | . | ... | Do. pref. | 5 | 18 | 18 | 18 | 18 |
| 21½ | 15 | 2 | 13.1 | Humberstone S | .... | 15¼ | .. | .. | .. |
| 17¾ | 6½ | 1 | 12.5 | Hunt (A) | .... | 8 | .. | .. | .. |
| x23½ | 18½ | 1 | ... | Do. (B) | .... | .. | .. | .. | .. |
| 108 | 93 | 8 | 7.4 | Huron & E Mt | .... | 108 | .. | .. | .. |
| 17 | 17 | . | ... | Do. 20% pd. | .... | 17 | .. | .. | .. |
| 11½ | 4½ | . | ... | Hydro Electric | .... | 6 | .. | .. | .. |
| 193 | 130 | 10 | 6.2 | Imperial Bank | 50 | 169 | 160 | 160 | 160 |
| 11⅝ | 7⅜ | 50c | 5 | Imperial Oil | 17312 | 10⅞ | 10⅞ | 9¾ | 9¾ |
| 9⅝ | 6 | 35c° | 4.2 | Imperial Tob. | 410 | 8 | 8⅜ | 8⅛ | 8⅛ |
| x80 | 80 | 8 | ... | Inter. Coal, p. | .... | .. | .. | .. | .. |
| 6 | 6 | . | ... | Int. Hyd. E. A. | .... | 6 | .. | .. | .. |
| 97 | 88½ | 7 | 7.6 | Inter. Mill. pf. | 12 | 90½ | 92 | 92 | 92 |
| 80 | 77 | 6 | 7.5 | Do. Series A. | .... | 80 | .. | .. | .. |
| 13½ | 4 | . | ... | Inter. Nickel | 89977 | 11 | 11⅛ | 9⅜ | 9½ |
| 4 | 4 | . | ... | Inter. Paints | .... | 4 | .. | .. | .. |
| b2⅞ | ⅞ | . | ... | Int. Pa & Pr A | .... | 2 | .. | .. | .. |
| b1 | 1 | . | ... | Do. (B) | .... | 1 | .. | .. | .. |
| b⅞ | ⅜ | . | ... | Do. (C) | .... | ⅝ | .. | .. | .. |
| b11 | 2½ | . | ... | Do. pref. | .... | 2½ | .. | .. | .. |
| 13½ | 9½ | 1 | 8 | Inter. Pete. | 3267 | 13 | 12¾ | 11½ | 11¾ |
| x8 | 5 | . | ... | Inter. Power | .... | .. | .. | .. | .. |
| x78 | 56½ | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 11 | 2 | . | ... | Int. Util. (A) | 65 | 9 | 9 | 8 | 8 |
| 4 | ½ | . | ... | Do. (B) | 40 | 3½ | 3½ | 3½ | 3½ |
| x40 | 40 | 1 | ... | Jam. Pub. Ser. | .... | .. | .. | .. | .. |
| 86 | 85 | 7 | 8.2 | Do. pref. | 5 | 85½ | 85 | 85 | 85 |
| 4 | 2½ | . | ... | Kelvinator | .... | 3 | .. | .. | .. |
| 90 | 55 | 7 | 12.7 | Do. pref. | .... | 55 | .. | .. | .. |
| 9½ | 4 | . | ... | Lake of Woods | 40 | 9 | 8¾ | 8½ | 8¾ |
| x101 | 82 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| x140 | 140 | 8 | ... | Landed Bank | .... | .. | .. | .. | .. |
| 40 | 28 | 3 | 7.9 | Laura Secord | 45 | 39 | 40 | 38 | 38 |
| 8 | 1½ | . | ... | Lindsay, C. W. | .... | 4 | .. | .. | .. |
| 60 | 36 | 6.50 | 18 | Do. pref. | .... | 36 | .. | .. | .. |
| 12 | 9 | 80c | 6.9 | Loblaw (A) | 307 | 11½ | 11¾ | 11¼ | 11½ |
| 11½ | 8 | 80c | 7.3 | Do. (B) | 50 | 11 | 11 | 11 | 11 |
| ‡2¾ | 2½ | . | ... | Loew's, London | .... | .. | .. | .. | .. |
| x25 | 19 | . | ... | MacKin. Steel | .... | .. | .. | .. | .. |
| x95 | 90 | 7 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 7 | 6½ | . | ... | Manitoba Pr. | .... | 7 | .. | .. | .. |
| 5 | 2 | . | ... | Maple Leaf | .... | 4 | .. | .. | .. |
| 20½ | 8 | . | ... | Do. pref. | 1 | 15 | 16 | 16 | 16 |
| x38 | 30 | . | ... | Marcus Loew's | .... | .. | .. | .. | .. |
| 60 | 30 | . | ... | Do. pref. | .... | 30 | .. | .. | .. |
| 5¾ | 2½ | . | ... | Massey-Harris | 2105 | 5 | 5 | 4½ | 4⅝ |
| 11⅛ | 7 | 60c | 6 | McColl Fron. | 1360 | 10½ | 10⅝ | 9⅝ | 10 |
| 68 | 58 | 6 | 8.8 | Do. pref. | 10 | 68 | 68 | 68 | 68 |
| x45 | 35 | . | ... | Mexican L & P | .... | .. | .. | .. | .. |
| ‡25 | 25 | . | ... | Mercury Mills | .... | .. | .. | .. | .. |
| ‡89 | 58½ | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| x40½ | 40 | . | ... | Mitchell, J. S. | .... | .. | .. | .. | .. |
| 105 | 105 | 7 | 6.7 | Do. pref. | .... | 105 | .. | .. | .. |
| 8¾ | 8 | . | ... | Mitchell, Robt. | 75 | 7 | 7 | 7 | 7 |
| x1 | 1 | . | ... | Monarch Knit. | .... | .. | .. | .. | .. |
| 30 | 20 | . | ... | Do. pref. | .... | 20 | .. | .. | .. |
| 75 | 45 | 6 | 13 | Montreal Cot. | .... | 46 | .. | .. | .. |
| 75 | 65 | 7 | 10 | Do. pref. | 25 | 75 | 71 | 70 | 70 |
| 2½ | 2½ | . | ... | Montreal Exhib. | .... | 2½ | .. | .. | .. |
| 11 | 7 | . | ... | Mont. Is. Pr. | .... | 11 | .. | .. | .. |
| 39½ | 20⅛ | 1.50 | 4.1 | Mont. L. & Pr. | 15062 | 37½ | 37 | 34½ | 36 |
| 48 | 48 | 3+25c | 6.8 | Montreal Loan | .... | 48 | .. | .. | .. |
| 47 | 40 | 3.20 | 8 | Montreal Tele. | .... | 40 | .. | .. | .. |
| 150 | 90 | 10 | 9.1 | Mont. Trams. | .... | 110 | .. | .. | .. |
| 11 | 4½ | . | ... | Moore Corp. | 190 | 8¾ | 9 | 8½ | 8½ |
| 93 | 62 | 7 | 9.3 | Do. (A) | .... | 75 | .. | .. | .. |
| 97 | 69 | 7 | 8.2 | Do. (B) | .... | 85 | .. | .. | .. |
| ‡10 | 10 | . | ... | Mt. Royal Hot. | .... | .. | .. | .. | .. |
| ‡49 | 49 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 2 | ⅞ | 10c | .. | Muirheads | .... | 1 | .. | .. | .. |
| 9 | 8 | 75c | 8.3 | Do. pref. | .... | 9 | .. | .. | .. |
| 24 | 9½ | 1.60 | 9.1 | Nat. Brew. | 3260 | 18½ | 18½ | 16⅝ | 17½ |
| 28 | 25 | 1.75 | 6.2 | Do. pref. | 110 | 27 | 28 | 27⅞ | 27⅞ |
| ½ | ½ | . | ... | Nat. Brick | 7 | .. | ½ | ½ | ½ |
| 3 | 3 | . | ... | Do. pref. | .... | 3 | .. | .. | .. |
| 13½ | 6 | 80c | 6.9 | Nat. Steel Car | 611 | 12½ | 11½ | 10½ | 10½ |
| 255 | 175 | 12 | 6.8 | National Tr. | .... | 175 | .. | .. | .. |
| 10 | 10 | . | ... | Niag. W. Weav. | .... | 10 | .. | .. | .. |
| x36 | 23 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 2.50 | 1.50 | . | ... | North Star Oil | 175 | 2.00 | 1.75 | 1.75 | 1.75 |
| 4.00 | 4.00 | 35c | 8.7 | Do. pref. | .... | 4.00 | .. | .. | .. |
| ‡25 | 25 | . | ... | N.S. Steel, pf. | .... | .. | .. | .. | .. |
| 150 | 90 | 8 | 5.9 | Ogilvie Flour | 15 | 140 | 141 | 135 | 140 |
| 112 | 96 | 7 | 6.5 | Do. pref. | 55 | 112 | 108 | 108 | 108 |
| 9 | 4 | . | ... | Ont. Eq. 10% p | .... | 6 | .. | .. | .. |
| 102 | 94½ | 6 | 6.1 | Ontario Loan | 6 | 100 | 99 | 99 | 99 |
| x7 | 5 | . | ... | Ont. Silknit | .... | .. | .. | .. | .. |
| x16 | 13 | . | ... | Ont. Steel | .... | .. | .. | .. | .. |
| ‡105 | 105 | 7 | ... | Do. pref. | .... | .. | .. | .. | .. |
| ½ | ½ | . | ... | Orange Crush | .... | ½ | .. | .. | .. |
| 45 | 18 | . | ... | Do. (A) | .... | 18 | .. | .. | .. |
| ½ | ½ | . | ... | Do. (B) | .... | ½ | .. | .. | .. |
| 100 | 87 | 6 | 6.5 | Ott. L. H. & P. | .... | 90 | .. | .. | .. |
| 100 | 90 | 6.50 | 7.2 | Do. pref. | 10 | 90 | 90 | 90 | 90 |
| x25 | 25 | . | ... | Ott. Traction | .... | .. | .. | .. | .. |
| 68½ | 35 | 3 | 5.3 | Page Hersey | 743 | 58 | 57 | 50 | 56 |
| b11½ | 1½ | . | ... | Paramount | 234900 | 6½ | 6½ | 3½ | 3⅞ |
| x35 | 30 | . | ... | Paton Mfg. | .... | .. | .. | .. | .. |
| x94 | 92 | 7 | ... | Do. pref. | .... | .. | .. | .. | .. |
| .37 | .25 | . | ... | Pelissiers | .... | .37 | .. | .. | .. |
| x30 | 25 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 33½ | 18 | 3 | 8.9 | Penmans | .... | 33½ | .. | .. | .. |
| 80 | 65 | 6 | 9.2 | Do. pref. | 15 | 80 | 65 | 65 | 65 |
| 19½ | 9 | . | ... | Photo Eng. | 50 | 10 | 10½ | 10 | 10 |
| x40 | 10 | . | ... | Port Alfred, pf | .... | .. | .. | .. | .. |
| x70 | 64 | 7 | ... | Porto Rico Pr. p | .... | .. | .. | .. | .. |
| b17½ | 1½ | . | ... | Postal Tele. p | .... | .. | .. | .. | .. |
| 36½ | 6 | . | ... | Power Corp. | 1108 | 14½ | 15½ | 12 | 12 |
| 90 | 25 | 6 | 10 | Do. pref. | 25 | 60 | 60 | 60 | 60 |
| 2 | 2 | . | ... | Prairie C. Oil. | .... | 2 | .. | .. | .. |
| 11 | 5 | . | ... | Pressed Metals | .... | 10 | .. | .. | .. |
| x42¾ | 25 | . | ... | Price Bros. | .... | .. | .. | .. | .. |
| x99 | 70 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 29 | 9¼ | 1.50 | 9.5 | Quebec Power | 677 | 17½ | 16½ | 15½ | 15½ |
| x110 | 105 | 7 | ... | Real Estate L'n | .... | .. | .. | .. | .. |
| 2 | ½ | . | ... | Regent Knit. | .... | ½ | .. | .. | .. |
| 10 | 5½ | . | ... | Reliance Grain | .... | 9½ | .. | .. | .. |
| 12 | 6½ | 1 | 9.5 | River. S. Mills | 5 | 10½ | 10½ | 10½ | 10½ |
| 12 | 7 | 1 | 13.3 | Robinson Cone | .... | 7½ | .. | .. | .. |
| 4 | 1½ | . | ... | Rogers Majes. | 175 | 3½ | 3½ | 3½ | 3½ |
| 171 | 120 | 10 | 6 | Royal Bank | 314 | 170 | 170 | 165 | 166 |
| x84 | 75 | . | ... | Ruddy, E. L. p | .... | .. | .. | .. | .. |
| 33 | 32½ | 1 | 3.1 | Russell Motor | .... | 32½ | .. | .. | .. |
| 70 | 35 | 7 | 14.6 | Do. pref. | .... | 48 | .. | .. | .. |
| 4 | 3 | . | ... | Sarnia Br. (A) | .... | 3 | .. | .. | .. |
| 1 | 1 | . | ... | Do. (B) | .... | 1 | .. | .. | .. |
| 7 | 3 | . | ... | Serv. Sta. | 290 | 5 | 5½ | 4⅞ | 5½ |
| 46 | 20 | . | ... | Do. pref. | .... | 25 | .. | .. | .. |
| 33 | 7½ | 1 | 5.6 | Shawinigan | 6630 | 18½ | 18½ | 17 | 17 |
| 20 | 7 | . | ... | Sher. Wms. | 55 | 11½ | 11½ | 11 | 11½ |
| 80 | 68½ | 7 | 10.2 | Do. pref. | 35 | 75 | 75⅝ | 68½ | 68½ |
| 17 | 5 | . | ... | Simon & Son. | .... | 5 | .. | .. | .. |
| 80 | 60 | 7 | 11.7 | Do. pref. | .... | 60 | .. | .. | .. |
| 55½ | 12 | . | ... | Simpson, Ltd. | 5 | 25 | 25 | 25 | 25 |
| x44½ | 36 | . | ... | Do. (A) | .... | .. | .. | .. | .. |
| 9 | 9 | . | ... | Do. (B) | .... | 9 | .. | .. | .. |
| 82 | 62 | 6 | 7.3 | Simpson, R., p. | .... | 82 | .. | .. | .. |
| 25 | 10 | 1 | 5.9 | So. Can. Pr. | 55 | 17½ | 17 | 17 | 17 |
| 90 | 60 | 6 | 7.5 | Do. pref. | 52 | 82 | 81 | 80 | 80 |
| 1.00 | .45 | . | ... | St. Law. Corp. | 400 | .75 | .80 | .75 | .75 |
| 4 | 1⅛ | . | ... | Do. (A) | 110 | 3 | 2¼ | 2¼ | 2¼ |
| 12 | 9 | . | ... | St. Law. Flour | .... | 9 | .. | .. | .. |
| 99½ | 70 | 7 | 7 | Do. pref. | .... | 99½ | .. | .. | .. |
| 11 | 1⅜ | . | ... | St. Law. Pa. p | 30 | 7½ | 8 | 8 | 8 |
| 3 | 1½ | . | ... | St. Pav. & Mat. | 125 | 2½ | 2 | 2 | 2 |
| 46 | 25 | 2 | 6.8 | Do. pref. | .... | 29½ | .. | .. | .. |
| 6 | 4 | 50c | .. | Stand. Chem. | .... | 6 | .. | .. | .. |
| 5⅞ | 1½ | . | ... | Stand. Steel | 105 | 5 | 5 | 4½ | 4½ |
| x35 | 30 | 3 | ... | Do. pref. | .... | .. | .. | .. | .. |
| x1 | 1 | . | ... | Stanfords | .... | .. | .. | .. | .. |
| 24 | 10½ | 1.75 | 8.5 | Steel of Can. | 1994 | 22½ | 21 | 19 | 20 |
| 30 | 20 | 1.75 | 6.4 | Do. pref. | 44 | 30 | 30 | 25 | 30 |
| ½ | ½ | . | ... | Sterling Coal | .... | ½ | .. | .. | .. |
| 18½ | 9¼ | 1 | 6.1 | Sup. Pete. ord. | 15 | 17 | 16½ | 16 | 16 |
| 16½ | 16½ | 1 | 6.1 | Do. com. | .... | 16½ | .. | .. | .. |
| 98 | 90 | 7 | 7.7 | Do. pref. | 10 | 90½ | 90½ | 90½ | 90½ |
| 42 | 35 | . | ... | Tamblyn | .... | 40 | .. | .. | .. |
| 100½ | 95 | 7 | 7 | Do. pref. | 5 | 100 | 100 | 100 | 100 |
| 18 | 15 | 3.50 | 23.3 | Thayers, pref. | .... | 15 | .. | .. | .. |
| 7 | 3 | . | ... | Tip Top Tailors | .... | 3 | .. | .. | .. |
| 67 | 60 | 7 | 12.7 | Do. pref. | 5 | 55 | 55 | 55 | 55 |
| x22 | 10 | . | ... | Tooke Bros. | .... | .. | .. | .. | .. |
| x67 | 48½ | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 15 | 7 | . | ... | Tor. Elevators | 175 | 10 | 15 | 14 | 14½ |
| 210 | 125 | 10 | 5.7 | Tor. Gen. Tr. | .... | 175 | .. | .. | .. |
| 100 | 85 | 6 | 6 | Toronto Mtge. | .... | 100 | .. | .. | .. |
| ½ | ¼ | . | ... | Traymore | 50 | .. | ¼ | ¼ | ¼ |
| 2½ | 2 | . | ... | Do. pref. | .... | 2 | .. | .. | .. |
| 120 | 103 | 7 | 6.7 | Tuckett Tob. p | 1 | 105½ | 105 | 105 | 105 |
| 5 | 2 | . | ... | Twin City | .... | 5 | .. | .. | .. |
| b24½ | 7 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 37 | 23 | . | ... | Do. (notes) | .... | 23 | .. | .. | .. |
| 7 | 1¾ | . | ... | Union Gas | 37 | 6 | 5½ | 5½ | 5½ |
| 100 | 100 | 5 | 5 | Union Trust | .... | 100 | .. | .. | .. |
| x8 | 3 | . | ... | United Fuel | .... | .. | .. | .. | .. |
| 15 | 3 | . | ... | Do. pref. | .... | 8 | .. | .. | .. |
| 24⅝ | 18 | 2 | 11.1 | United Secs. | .... | 18 | .. | .. | .. |
| 11 | 5 | . | ... | Viau Biscuit | .... | 9 | .. | .. | .. |
| 75 | 60 | 7 | 11.7 | Do. pref. | .... | 60 | .. | .. | .. |
| 12 | 4 | . | ... | Wabasso Cot. | .... | 10 | .. | .. | .. |
| 8 | 2½ | . | ... | Walker-Good. | 2988 | 6¾ | 6¾ | 6 | 6½ |
| 12 | 9 | 1 | 10.7 | Do. pref. | 2602 | 9⅜ | 9¼ | 9¼ | 9⅜ |
| 3¾ | 1 | . | ... | Waterloo Mfg. | 15 | 2½ | 2½ | 2½ | 2½ |
| 80 | 75 | 7 | ... | W. Koot. Pr. | .... | 80 | .. | .. | .. |
| 8 | 5½ | . | ... | West. C. Flour | .... | 8 | .. | .. | .. |
| 60 | 54 | 6.50 | 11.2 | Do. pref. | 5 | 55 | 58 | 58 | 58 |
| 11 | 10 | . | ... | West. Grocers | 35 | 10 | 10 | 10 | 10 |
| 54 | 43 | 7 | 13.2 | Do. pref. | .... | 53 | .. | .. | .. |
| x91 | 85 | . | ... | W. Steel Pr. p | .... | .. | .. | .. | .. |
| 23 | 16½ | 1 | 4.5 | Weston Bisc. | 55 | 23 | 22 | 22 | 22 |
| 70 | 65 | 7 | 10.4 | Do. pref. | .... | 67 | .. | .. | .. |
| 10 | 3 | . | ... | Windsor Hotel | 5 | 10 | 3 | 3 | 3 |
| 38 | 10 | . | ... | Do. pref. | .... | 10 | .. | .. | .. |
| 8 | 2 | . | ... | Winnipeg Elec. | 590 | 6½ | 6¼ | 5 | 5½ |
| 20 | 13 | . | ... | Do. pref. | 31 | 18 | 18½ | 16 | 17 |
| x46 | 46 | . | ... | Woods Mfg. p. | .... | .. | .. | .. | .. |

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
§ Stock dividends of 2% each paid Sept. 1 and June 1; 25c cash paid March 1, 1932.
° Plus final div. of 17½c paid March 31, 1932.

## Winnipeg Grain Prices

Week to September 20

| Crop year from Aug. 14, 1932 High | Low | | Open Sept. 14 | High for week | Low for week | Close Sept. 20 |
|---|---|---|---|---|---|---|
| | | **Wheat** | | | | |
| .60½ | .50¼ | Oct. | .52¾ | .53¼ | .50¼ | .50⅞ |
| .61½ | .52¼ | Dec. | .54¾ | .54¾ | .52¼ | .52¾ |
| .66 | .57⅜ | May | .59⅜ | .59¾ | .57⅜ | .57⅜ |
| | | **Oats** | | | | |
| .27⅞ | .23½ | Oct. | .25⅝ | .26 | .24⅞ | .24⅞ |
| .27 | .24¼ | Dec. | .25½ | .25½ | .24¼ | .24⅜ |
| .29½ | .27½ | May | .28½ | .28⅝ | .28 | .28⅜ |
| | | **Barley** | | | | |
| .35⅞ | .28 | Oct. | .29¾ | .29¾ | .28 | .28½ |
| .35 | .27¾ | Dec. | .30½ | .30½ | .27¾ | .29⅛ |
| .38½ | .33 | May | .34 | .34⅛ | .33 | .33⅛ |
| | | **Flax** | | | | |
| .85 | .70¾ | Oct. | .80½ | .81⅜ | .76½ | .76½ |
| .87 | .73 | Dec. | .83½ | .83¼ | .78½ | .78½ |
| .94 | .78⅞ | May | .89 | .89⅜ | .84 | .84 |
| | | **Rye** | | | | |
| .36½ | .31½ | Oct. | .32⅞ | .33¼ | .31⅛ | .31⅜ |
| .38½ | .33½ | Dec. | .... | .34½ | .33½ | .33¼ |
| .41⅞ | .37½ | May | .38 | .38⅛ | .37½ | .37⅞ |

## Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
September 20, 1932

| | Bid | Asked |
|---|---|---|
| **Industrial Bonds:** | | |
| Abitibi P. & P. 5% 1953 | 27.00 | 30.00 |
| Acadia Sugar 6% 1946 | 81.00 | 86.00 |
| Alta. Pac. Grain 6% 1946 | 83.00 | .... |
| American Sales Book 6% 1939 | 101.00 | .... |
| Arnold Bros. 6% 1947 | 40.00 | 50.00 |
| B. A. Oil 5% 1945 | 90.00 | .... |
| Canada Biscuit 6½% 1946 | 25.00 | 30.00 |
| Canada Bread 6% 1941 | 85.00 | .... |
| Canada Cement 5½% 1947 | 80.00 | 85.00 |
| Can. Bakeries 6½% 1945 | 50.00 | 60.00 |
| Can. Canners 6% 1950 | 75.00 | .... |
| Can. Copper Refin. 6% 1945 | 95.00 | 100.00 |
| Can. Cottons 5% 1940 | 83.00 | .... |
| Can. Steamship 6% 1941 | 40.00 | 45.00 |
| Can. Vickers 6% 1947 | 74.00 | 76.00 |
| Cons. Invest. 4½% 1959 | 35.00 | 41.00 |
| Cosmos Imp. Mills 6½% 1944 | 81.00 | 85.00 |
| Davies, Wm. 6% 1942 | 79.00 | 83.00 |
| Debenture & Sec. 4% 1936 | 48.00 | 52.00 |
| Dom. Manufacturers 6% 1933 | 94.00 | .... |
| Dom. Tar & Chemical 6% 1949 | 76.00 | 80.00 |
| Dom. Telegraph 5½% 1978 "A" | 83.00 | .... |
| Dom. Textile 6% 1949 | 92.00 | .... |
| Dom. Woolens 6% 1948 | .... | 25.00 |
| Donnacona Paper 5½% 1948 | 19.00 | .... |
| Eaton Realty 5% 1949 | 82.50 | .... |
| Famous Players 6% 1948 | 68.00 | 72.00 |
| Famous Players 6½% 1948 | 51.00 | 56.00 |
| Federal Grain 6% 1949 | 80.00 | 85.00 |
| Fraser Co. 6% 1932 | 15.00 | .... |
| Fraser Co. 6% 1950 | 16.00 | .... |
| Galt Brass 7½% 1941 | 25.00 | 35.00 |
| Goodyear Cotton 6% 1949 | 92.50 | 96.00 |
| Great Lakes Paper 6% 1950 | 26.50 | 29.00 |
| Gypsum, Lime & Alab. 5½% 1948 | 58.50 | 62.00 |
| Harris Abattoir 6% 1947 | 83.00 | .... |
| Howard Smith 5½% 1953 | 61.00 | 64.00 |
| Loew's Toronto 6% (Serial) | 95.00 | 100.00 |
| London Realty 6½% 1950 | 51.00 | 55.00 |
| Maple Leaf Milling 5½% 1949 | 57.00 | 61.00 |
| Massey Harris 5% 1947 | 70.00 | .... |
| McColl Frontenac 6% 1949 | 89.00 | 93.00 |
| McKinnon Industries 6½% 1945 | 90.00 | 97.00 |
| Mercury Mills 5½% 1953 | 45.00 | .... |
| Metropolitan Bldg. 7% 1944 | 84.00 | 90.00 |
| Nor. Ont. Bldg. 6½% 1939 | 63.00 | 73.00 |
| Price Bros. 6% 1943 | 40.00 | 43.00 |
| Richmond Bay 6½% 1947 | 63.00 | 69.00 |
| Rolland Paper 5½% 1948 | 62.00 | .... |
| Simpsons Ltd. 5½% 1949 | 62.00 | 66.00 |
| Simpsons Ltd., 6% 1949 | 69.00 | 74.00 |
| Steel of Can. 6% 1940 | 102.00 | 105.00 |
| Toronto Carpet 6% 1944 | 75.00 | .... |
| United Gas & Fuel 5½% 1948 | 51.00 | 58.00 |
| United Grain Growers 5% 1948 | 75.00 | .... |
| United Grain Growers 5½% 1949 | 80.00 | .... |
| Western Grain 6% 1949 | 73.00 | .... |
| **Public Utility Bonds:** | | |
| Bell Telephone 5% 1955 | 106.50 | 109.00 |
| Bell Telephone 5% 1957 | 106.50 | 109.00 |
| B. C. Power 5½% 1960 | 87.00 | 90.00 |
| B. C. Telephone 5% 1960 | 94.00 | 96.00 |
| Calgary Power 5% 1960 | 84.50 | 88.00 |
| Can. Northern Pwr. 5% 1953 | 80.00 | 85.00 |
| Duke Price Power 6% 1966 | 65.00 | 72.00 |
| Elec. Develop. 5% 1933 | 110.00 | .... |
| French Natl. Mail SS 6% 1952 | 113.00 | 118.00 |
| Gatineau Pwr. 5% 1956 | 80.00 | 83.50 |
| Gatineau Pwr. 6% 1941 Apr. 1 | 74.50 | 77.00 |
| Inter. Pwr. 6½% 1957 | 52.50 | 56.00 |
| MacLaren Quebec 5½% 1961 | 82.00 | 85.00 |
| Manitoba Power 5½% 1951 | 65.00 | 69.00 |
| Montreal Isl. Pwr. 5½% 1957 | 96.50 | 100.00 |
| Montreal LH&P 5% 1951 | 105.00 | 107.00 |
| Montreal LH&P 5% 1970 | 104.00 | 107.00 |
| Montreal Tram. 5% 1941 July | 97.00 | 99.50 |
| Montreal Tram. 5% 1955 | 84.50 | 87.00 |
| Northwest Utilities 7% 1938 | 88.00 | 98.00 |
| Ont. Pwr. Service 5½% 1950 | 69.00 | 72.00 |
| Ottawa Valley Pwr. 5½% 1970 | 95.00 | 98.00 |
| Quebec Power 5% 1968 | 88.00 | 92.00 |
| Rio Tramways 5% 1935 | 85.00 | .... |
| Shawinigan W&P 4½% 1970 | 76.50 | 79.50 |
| Shawinigan W&P 5% 1970 | 88.00 | 92.00 |
| Shawinigan W&P 6% 1937 | 94.00 | 97.00 |
| Southern Can. Pwr. 5% 1955 | 89.00 | 93.00 |
| West Kootenay Pwr. 5% 1956 | 90.00 | 94.00 |
| **Government Provincial & Railway** | | |
| C.N.R. 4½% 1951 Dom. Gtd. | 97.00 | 99.00 |
| C.N.R. 4½% 1957 Dom. Gtd. | 96.75 | 98.75 |
| C.N.R. 5% 1969 Dom. Gtd. | 103.50 | 105.25 |
| C.P.R. 4½% 1944 | 83.50 | 87.00 |
| C.P.R. 5% 1934 | 95.50 | 98.00 |
| C.P.R. 6% 1942 | 105.50 | 108.00 |
| Dom. of Can. 5% 1936 | 100.75 | 102.25 |
| Dom. of Can. 5% 1941 | 100.75 | 102.00 |
| G.T.P. 3% 1962 Dom. Gtd. | 74.00 | 76.50 |
| G.T.P. 4% 1962 Dom. Gtd. | 87.00 | 89.00 |
| Ont. Hydro 5% 1939 Ont. Gtd. | 98.25 | 100.50 |
| Ont. Hydro 4% 1957 Ont. Gtd. | 87.50 | 91.00 |
| Prov. of N. B. 5½% 1950 | 102.00 | 104.00 |
| Prov. of Ontario 4½% 1944 | 99.00 | 101.00 |
| Prov. of Ontario 5% 1948 | 100.00 | 102.00 |
| Prov. of Ontario 5½% 1947 | 103.75 | 105.00 |

## Active Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto

September 19, 1932

| Industrial Stocks: | Bid | Asked |
|---|---|---|
| Acadia Sugar c. | .60 | 1.00 |
| Acadia Sugar pf. | 2.60 | 3.00 |
| Acme Farmers Dairy pfd. | 60.50 | 68.00 |
| Acme Glove pfd. bonus c. | 6.25 | 7.50 |
| Agnew Surpass pfd. | 59.00 | 70.00 |
| Allens Lond. pfd. | 30.50 | .... |
| Allens Toronto pf. | 14.50 | .... |
| Andian Nat. Corp. | 25.25 | 28.75 |
| Canada & Dom. Sugar c. | 20.00 | 21.00 |
| Canada Mach. c. | 3.00 | 6.00 |
| Canada Mach. pf. | 24.00 | .... |
| Canada Pack. c. | 12.50 | 15.00 |
| Canada Pack. pf. | 60.00 | .... |
| Canada Starch pf. | 63.25 | 68.00 |
| Canada Tea pfd. | 53.50 | .... |
| Canada Wire & Cable pfd. W.W. | 70.00 | 72.00 |
| Can. Industries c. "A" | 77.00 | 80.00 |
| Can. Industries c. "B" | 77.00 | 79.00 |
| Can. Industries 7% pfd. | 112.00 | .... |
| Can. Westing. | 39.00 | 41.00 |
| Chase, A. W. Units | 22.00 | 26.00 |
| Claude Neon Gen. Adv. Units | 22.75 | 25.00 |
| Claude Neon Gen. Adv. c. | 2.00 | 3.25 |
| Crescent Creameries pfd. | 60.00 | 70.00 |
| Dodge Manufacturing "A" pf. | 5.25 | .... |
| Dodge Manufacturing "B" c. | 2.25 | .... |
| Dom. Foundries & Steel c. | 6.50 | 9.00 |
| Dom. Foundries & Steel pfd. | 69.50 | 74.00 |
| Dom. Mfrs. pfd. | 66.00 | 71.00 |
| Dunlop Tire 7% pfd. | 45.00 | 50.00 |
| Eastern Dairies Ltd. pfd. | 66.00 | 74.00 |
| Edmonton Stock yards Units | .... | 52.00 |
| Fed. Grain pfd. | 35.00 | .... |
| Goderich Elevator & Transit | 10.25 | 11.00 |
| Greening Wire 7% pfd. | 67.00 | 74.00 |
| Guardian Realty pfd. | 22.50 | 26.00 |
| Guelph Carpet pfd. bonus c. | 69.25 | 74.00 |
| Inter. City Baking com. | 39.00 | 42.00 |
| Inter. Proprietaries "A" | 26.75 | 27.50 |
| Langleys pfd. | .... | 40.00 |
| Loew's Lond. c. | .35 | .... |
| Loew's London 7% pfd. | 2.70 | 3.25 |
| Massey Harris pf. | 15.50 | 16.50 |
| Melchers Distilleries "A" | 1.25 | .... |
| Mount Royal Hotel com. | .50 | .80 |
| Mount Royal Hotel pfd. | 5.10 | 6.00 |
| Nat. Grocers c. | 1.35 | 1.75 |
| Nat. Grocers 2nd pfd. | 37.50 | 40.00 |
| National Sewer Pipe "A" | 18.50 | .... |
| National Sewer Pipe c. | 6.50 | .... |
| Neilson, Wm., c. | 4.75 | .... |
| Ont. Silknit pfd. | 18.25 | 21.00 |
| Provincial Paper 7% pfd. | 40.00 | 42.00 |
| Reliance Grain pf. | 56.00 | .... |
| Rolland Paper pfd. W.W. | 35.00 | .... |
| Standard Clay Products c. | 17.00 | 22.00 |
| Standard Fuel pfd. bonus | 53.00 | 57.00 |
| Supertest Petroleum "B" pfd. | 17.50 | 22.00 |
| Toronto Brick pf. | .... | 36.50 |
| Toronto Carpet c. | .... | 92.00 |
| Tornoto Carpet 8% pfd. | .... | 85.00 |
| Toronto Elevators 7% pfd. | 75.00 | 86.00 |
| Toronto Housing com. | 20.00 | 30.00 |
| Western Grain pfd. bonus c. | 30.00 | 35.00 |
| Willards Choc. pf. | .... | 22.00 |
| **Insurance Stocks:** | **Bid** | **Asked** |
| Canada Life Assce. | 375.00 | 410.00 |
| Canada Nat. Fire | 14.00 | .... |
| Can. Fire Ins. | 60.00 | 65.00 |
| Confederation Life 20% pd. | 128.00 | 131.00 |
| Continental Life 20% pd. | 50.00 | 60.00 |
| Crown Life Ins. | 100.00 | 120.00 |
| Dom. Fire Ins. | 85.50 | .... |
| Dom. Life 50% pd. | 225.00 | 280.00 |
| Dom. of Can. Gen. Ins. | 100.00 | 116.00 |
| Excelsior Life 30% pd. | 71.00 | 78.00 |
| Fidelity Ins. of Canada | .... | 69.00 |
| Great West Life Assce. | 230.00 | 260.00 |
| Guarantee Co. of N. A. | 176.00 | 225.00 |
| Halifax Fire Ins. | 12.25 | 13.50 |
| Imp. Life Assce. | 250.00 | 290.00 |
| Mfrs. Life Ins. | 225.00 | 245.00 |
| Monarch Life 10% pd. | 19.50 | 22.00 |
| Nat. Life 25% pd. | 66.00 | 72.00 |
| Saskatchewan Life 10% pd. | 11.00 | 16.00 |
| Sovereign Life 25% pd. | 17.25 | 22.00 |
| Sun Life Assce. | 325.00 | 355.00 |
| Western Assce. c. | 13.75 | 16.00 |
| Western Life 20% pd. | 8.00 | 12.00 |
| **Trust & Loan Stocks:** | | |
| Br. Mtg. & Trust | 150.00 | .... |
| Can. Gen. Investments Ltd. | 3.85 | 4.25 |
| Chartered Trust | 64.00 | 71.00 |
| Deb. & Sec. c. | 5.00 | .... |
| Deb. & Sec. pfd. | 20.00 | .... |
| Eastern Can. Sav. & Loan | 107.00 | 115.00 |
| Eastern Trust | 130.00 | 150.00 |
| Guelph & Ont. Inv. par $50 | 45.00 | 51.00 |
| Lambton Loan & Sav. | 51.00 | 59.50 |
| Investment Foundation Units | 15.00 | 19.00 |
| London & Western Trust | 81.00 | 85.00 |
| Mtge. Disc. pfd. | 2.35 | 3.00 |
| Mutual Fin. pfd. | .... | 2.25 |
| Northern Trust | .... | 24.50 |
| Premier Trust | 82.00 | 87.00 |
| Sec. Loan & Sav. | 96.00 | 103.00 |
| Sherbrooke Trust | 110.00 | 125.00 |
| Sterling Trust | 58.00 | 61.00 |
| Traders Fin. c. | .80 | 1.50 |
| Traders Fin. pfd. | 17.00 | .... |
| Trusts & Guar. | 41.00 | 47.00 |
| Union Trust | .... | 90.00 |
| Victoria Trust & Sav. | 67.50 | .... |
| Waterloo Trust & Sav. | 100.00 | 110.00 |
| **Power Issues:** | | |
| B.C. Elect. Pwr. & Gas pfd. | 94.00 | 95.00 |
| Calgary Pwr. 6% pfd. | 72.50 | 74.50 |
| Can. Light & Pwr. com. | 20.00 | 25.00 |
| Can. West. Nat. Gas LH&P c. | 19.00 | 24.00 |
| Can. West. Nat. Gas LH&P pfd. | 72.00 | 73.75 |
| Great Lakes Pwr. pfd. | .... | 67.00 |
| Maritime Tel. & Tel. c. | 10.50 | 11.50 |
| Maritime Tel. & Tel. pfd. | 10.50 | 11.50 |
| N.B. Tel. com. | 7.25 | 8.50 |
| N.S. L&P pfd. | 65.00 | 75.00 |
| **Recent London Quotations:** | | |
| Brewer Distillers | | 4s. 9d. |
| Can. & For. sec. | | 3s. 9d. |
| Can. West. Lumber | | 1s 10½d. |
| Hudson's Bay | | 23s. 9d. |
| Do. 5% | | 75s. |
| Internat. Holdings | | $2½ |
| Nfld. Pr. & Pap. deb. stock "B" | | 100½ |
| Trust & Loan of Can. | | 2s. 6d. |

## Winnipeg Stock Exchange

September 16, 1932

| | Bid | Ask |
|---|---|---|
| Beaver Fire | .. | 100 |
| Beaver Lumb. pf. | 80 | .. |
| Can. Amer. Tr. shs. | .. | 3 |
| Can. Nat. Fire | 14 | .. |
| City Dairy (Wpg.) pref. 7% | .. | 50 |
| Do., pref. 8% | .. | 80 |
| Corp. Steel c. | .. | 5 |
| Cres.-Cream. pfd. | 60 | .. |

| | Bid | Ask |
|---|---|---|
| Home Inv. & Sav. | 25 | .. |
| N. Can. Mtge. pfd. | .. | 15 |
| Un. Gr. Growers | 12 | .. |
| Traders' Bldg. | 75 | .. |
| West. Breweries | 1½ | 2 |
| Fund. Tr. shs. "A" | .. | 3½ |
| Do., "B" | .. | 3½ |
| Grouped Inc. shs. | .. | 3.88 |

## Dividends Declared

| | Annual rate | Amt. this payment | Date payable | Date of record |
|---|---|---|---|---|
| Agnew Surpass, pref. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Assoc. Breweries | 60c | 15c | Sept. 30 | Sept. 15 |
| Do., pref. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Building Products "A" & "B" | $1 | 25c | Oct. 1 | Sept. 19 |
| Brantford Cordage pref. | 8% | 2% | Oct. 20 | Sept. 20 |
| Bank of Nova Scotia | 14% | 3½% | Oct. 1 | Sept. 15 |
| Brit. Amer. Oil (coupon 10) | 80c | 20c | Oct. 1 | Sept. 14 |
| Bell Telephone | 7% | 1¾% | Oct. 15 | Sept. 23 |
| Brazilian Traction, pfd. | 6% | 1½% | Oct. 1 | Sept. 15 |
| B. C. Power "A" | $2 | 50c | Oct. 15 | Sept. 30 |
| Burt, F. N. | $2.40 | 60c | Oct. 1 | Sept. 15 |
| Do., pref. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Canada Packers pfd. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Can. Cottons pref. | 6% | 1½% | Oct. 4 | Sept. 17 |
| Calgary Power c. | 6% | 1½% | Oct. 1 | Sept. 15 |
| Central Can. Loan | 10% | 2½% | Oct. 1 | Sept. 15 |
| Confederation Life | $4 | $1 | Sept. 30 | Sept. 25 |
| Can. Celanese, pfd. | 7% | 1¾% | Sept. 30 | Sept. 17 |
| Candn. Gen. Electric | $4 | $1 | Oct. 1 | Sept. 15 |
| Do., pref. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Can. Industries, pref. | 7% | 1¾% | Oct. 15 | Sept. 30 |
| Do., com. | 8 | 7½c. | Oct. 31 | Sept. 30 |
| Can. Wire Boxes, "A" pfd. | $1 | 25c | Oct. 1 | Sept. 15 |
| Can. Northern Pr. | 80c | 20c | Oct. 25 | Sept. 30 |
| Do., pref. | 7% | 1¾% | Oct. 15 | Sept. 30 |
| Can. Pacific Ry. pf. | 4% | 2% | Oct. 1 | Sept. 1 |
| Canadian Oil, pref. | $8 | $2 | Oct. 1 | Sept. 20 |
| Can. Perm. Mtge. | $12 | $3 | Oct. 1 | Sept. 15 |
| Can. Canners conv. pfd. | 40c | 10c | Oct. 1 | Sept. 15 |
| Do., 1st pref. | 6% | 1½% | Oct. 1 | Sept. 15 |
| Canadian Car pref. | $1.75 | 43c | Oct. 8 | Sept. 26 |
| Consumers Gas | 10% | 2½% | Oct. 7 | Sept. 15 |
| Canada Bud | $1 | 25c | Oct. 15 | Sept. 30 |
| Canada Bread 1st pfd. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Crown Trust c. | 7% | 1¾% | Oct. 1 | Sept. 30 |
| Can. Gen. Invest. c. (coupon 17) | 40c | 10c | Oct. 1 | Sept. 15 |
| Can. Westinghouse | $2 | 50c | Oct. 1 | Sept. 20 |
| Dominion Bank | 10% | 2½% | Oct. 1 | Sept. 20 |
| Dominion Bridge | $2 | 50c | Nov. 15 | Oct. 31 |
| Dominion Glass | $5 | $1.25 | Oct. 1 | Sept. 15 |
| Do., pref. | $7 | $1.75 | Oct. 1 | Sept. 15 |
| Dominion Stores | $1.20 | 30c | Oct. 1 | Sept. 15 |
| Dominion Textile pfd. | 7% | 1¾% | Oct. 15 | Sept. 30 |
| Do. com. | 5% | 1¼% | Oct. 1 | Sept. 15 |
| Dominion Rubber pfd. | 7% | 1¾% | Sept. 30 | Sept. 28 |
| Dome Mines | $1 | 25c | Oct. 20 | Sept. 30 |
| Do., bonus | ... | 10c | Oct. 20 | Sept. 30 |
| Edmonton C. Dairy pfd. | 6½% | 1⅝% | Oct. 1 | Sept. 15 |
| Eastern Trust | 8% | 2% | Oct. 1 | Sept. 20 |
| Economic Inv. Trust | 75c | 37½c | Oct. 1 | Sept. 20 |
| East. Steel Prod., pref. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Fanny Farmer pfd. | $2.40 | 60c | Oct. 1 | Sept. 15 |
| Freiman, A. J., pfd. | 6% | 1½% | Oct. 1 | Sept. 15 |
| Goodyear Tire | $5 | $1.25 | Oct. 1 | Sept. 15 |
| Do., pref. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Gurd, Chas. | $1 | 25c | Oct. 1 | Sept. 15 |
| Do., pref. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Great West Life | 20% | 5% | Oct. 1 | Sept. 20 |
| Greening Wire pfd. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| General Trust pfd. | 6% | 1½% | Oct. 1 | ...... |
| Home Inv. & Savings | $4 | $1 | Oct. 1 | Sept. 20 |
| Hollinger Gold Mines | 65c | 5c | Oct. 6 | Sept. 22 |
| Hunts "A" & "B" | $1 | 25c | Oct. 1 | Sept. 17 |
| Holt, Renfrew pfd. | 7% | 1¾% | Oct. 1 | Sept. 26 |
| Huron & Erie Mtge. | 8% | 2% | Oct. 1 | Sept. 15 |
| Hamilton Un. Theatres, pfd. | 7% | 1¾% | Sept. 30 | Aug. 31 |
| Imperial Tobacco, ord. | 35c | 8¾c | Sept. 30 | Aug. 31 |
| Do., pref. | 6% | 3% | Sept. 30 | Aug. 31 |
| Inter. Nickel, pref. | 7% | 1¾% | Nov. 1 | Oct. 3 |
| Inter. Utilities, prior pfd. | 7% | 1¾% | Nov. 1 | Oct. 15 |
| Do., pref. | $3.50 | 87½c | Nov. 1 | Oct. 15 |
| Do., pfd. (1931) | $1.75 | 43¾c | Oct. 15 | Oct. 1 |
| Imperial Bank | 10% | 2½% | Nov. 1 | Sept. 30 |
| Inter. Hydro-Elec. pfd. | $3.50 | 87½c | Oct. 15 | Sept. 26 |
| Invest. Foundation pfd. | $3 | 37c | Oct. 15 | Sept. 30 |
| Jamaica Pub. Serv. c. | $1 | 25c | Oct. 1 | Sept. 30 |
| Do., pref. | 7% | 1¾% | Oct. 1 | Sept. 19 |
| Land. Bkg. & Loan | 8% | 2% | Oct. 1 | Sept. 19 |
| McColl Frontenac pref. | $6 | $1.50 | Oct. 15 | Sept. 15 |
| Mackay Co's. pref. | $4 | $1 | Oct. 15 | Sept. 30 |
| Maritime Tel. & Tel., pfd. | 70c | 17½c | Oct. 1 | Sept. 22 |
| Do., com. | 80c | 20c | Oct. 1 | Sept. 15 |
| Mitchell, J. S., pref. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Monarch Mtg. & Inv. pfd. | ... | 10c | Oct. 15 | Sept. 30 |
| Mtl. City & D. Bk. | 12% | 3% | Oct. 1 | Sept. 15 |
| Montreal Telegraph | $3.20 | 80c | Oct. 15 | Sept. 30 |
| Montreal Tramways | 10% | 2½% | Oct. 15 | Oct. 6 |
| Montreal L. H. & Pr. | $1.50 | 37c | Oct. 31 | Sept. 30 |
| New Eng. Power pfd. | 6% | 1½% | Oct. 1 | Sept. 9 |
| Do., 2nd pfd. | $2 | 50c | Oct. 1 | Sept. 9 |
| Do., com. | $2 | 50c | Oct. 10 | Sept. 30 |
| Nat. Sewer Pipe "A" c. | $2.40 | 60c | Sept. 15 | Aug. 31 |
| Do., com. | $1.20 | 30c | Sept. 15 | Aug. 31 |
| National Trust | 12% | 3% | Oct. 1 | Sept. 20 |
| North Star Oil pfd. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| National Breweries | $1.60 | 40c | Oct. 1 | Sept. 15 |
| Do., pref. | $1.75 | 44c | Oct. 1 | Sept. 15 |
| National Steel Car | 80c | 20c | Oct. 1 | Sept. 20 |
| Northern Ont. Power | $2 | 50c | Oct. 25 | Sept. 30 |
| Do., pref. | 6% | 1½% | Oct. 25 | Sept. 30 |
| N.S. Light & Pr. c. | $4 | $1 | Oct. 1 | Sept. 17 |
| Ont. Loan & Deb. | $6 | $1.50 | Oct. 1 | Sept. 15 |
| Ottawa L. H. & Pr. | 6% | 1½% | Sept. 30 | Sept. 15 |
| Do., pref. | 6½% | 1⅝% | Oct. 1 | Sept. 15 |
| Ogilvie Flour Mills c. | 8% | 2% | Oct. 1 | Sept. 22 |
| Page Hersey Tubes | $3 | 75c | Oct. 1 | Sept. 20 |
| Do., pref. | 7% | 1¾% | Oct. 1 | Sept. 20 |
| Pioneer Gold, B.C. | 12c | 3c | Oct. 1 | Sept. 12 |
| Power Corp., pref. | $6 | $1.50 | Oct. 15 | Sept. 30 |
| Do., 2nd pref. | $3 | 75c | Oct. 15 | Sept. 30 |
| Porto Rico Power pfd. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Premier Gold Mines | 12c | 3c | Oct. 5 | Sept. 16 |
| Provincial Paper, pfd. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Robinson Cons. Cone | $1 | 25c | Oct. 1 | Sept. 15 |
| Riverside Silk | $1 | 25c | Oct. 1 | Sept. 15 |
| Southern Can. Power, pfd. | 6% | 1½% | Oct. 15 | Sept. 20 |
| Standard Steel "A" pfd. | $3 | 75c | Oct. 1 | Sept. 15 |
| Supertest Pete., pfd. "A" | 7% | 1¾% | Oct. 1 | Sept. 16 |
| Do., pfd. "B" | 6% | 1½% | Oct. 1 | Sept. 16 |
| Do., com. | $1 | 25c | Oct. 1 | Sept. 16 |
| Do., ord. (coupon 21) | $1 | 25c | Oct. 1 | Sept. 16 |
| Sterling Pacific Oil | ... | 2½c | Oct. 15 | Sept. 30 |
| Sher.-Williams, pref. | 7% | 1¾% | Sept. 30 | Sept. 15 |
| Standard Fuel, pfd. | 6½% | 1⅝% | Oct. 1 | Sept. 16 |
| Silverwood's Dairies pfd. | 7% | 1¾% | Oct. 1 | Sept. 17 |
| Tamblyn, pref. | 7% | 1¾% | Oct. 1 | Sept. 24 |
| Teck-Hughes | 60c | 15c | Nov. 1 | Oct. 15 |
| Tip Top Tailors pfd. | 7% | 1¾% | Oct. 1 | Sept. 15 |
| Toronto Gen. Trusts | 10% | 2½% | Oct. 1 | Sept. 17 |
| Toronto Mortgage | 12% | 3% | Oct. 1 | Sept. 15 |
| Viau Biscuit pref. | 7% | 1¾% | Oct. 1 | Sept. 23 |
| Weston, Geo., c. | $1 | 25c | Oct. 1 | Sept. 20 |
| West Koot Pr. pfd. | 7% | 1¾% | Oct. 1 | Sept. 21 |
| Western Grocers pfd. | 7% | 1¾% | Oct. 15 | Sept. 20 |
| Wright-Hargreaves | 10c | 2½c | Oct. 1 | Sept. 15 |
| Do., extra | ... | 2½c | Oct. 1 | Sept. 15 |

**Dividends Passed or Deferred:**

Canadian Pacific Railway, semi-annual common, due Oct. 1, 1932, deferred until full year's earnings are known. Last payment 31¼c. on quarterly basis, April 1, 1932.

Canada Cement, pref. Sept. 30, deferred. Last paid 1⅝% June 30, 1932.

Sun Life Assurance, Oct. 1, deferred. Last paid $3.75 July 1, 1932.

Niagara Wire Weaving, pref. Oct. 1, deferred. Last paid 75c. June 30, 1932.

Eastern Dairies, c. Nov. 1, passed. Last paid 25c. Aug. 1, 1932.

**Dividend Rate Reduced:**

Bank of Nova Scotia, 3½% Oct. 1. Reduced from 16% to 14% per annum.

Dominion Bank, 2½% Oct. 1. Reduced from 12% to 10% per annum.

Gurd, Chas., c. 25c Oct. 1. Reduced from $1.60 to $1 per annum.

Building Products "A" and "B" 25c. Oct. 1. Reduced from $1.40 to $1 per annum.

Page Hersey c. 75c. Oct. 1. Reduced from $5 to $3 per annum.

Economic Invest. Trust 37½c Oct. 1. Reduced from $1.50 to 75c. per annum.

Imperial Bank 2½% Nov. 1. Reduced from 12% to 10% per annum.

Robinson Cons. Cone, 25c. Oct. 1. Reduced from $1.50 to $1 per annum.

**Extra Dividends:**

Wright-Hargreaves 2½c. Oct. 1.
Dome Mines 10c. Oct. 20.

## Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co.,
Sept. 19, 1932

| | Rate | Actual Maturity | Next Int. Date | | |
|---|---|---|---|---|---|
| *Alberta | 4½ | 1 Oct., 1958 | 1 Oct. | 87.50 | 5.40 |
| Alberta | 5 | 1 July, 1943 | 1 Jan. | 95.00 | 5.60 |
| Alberta | 6 | 1 Mar., 1947 | 1 Mar. | 102.00 | 5.80 |
| *British Columbia | 4½ | 1 Oct., 1953 | 1 Oct. | 91.00 | 5.20 |
| *British Columbia | 5 | 15 Jan., 1948 | 15 July | 97.30 | 5.25 |
| British Columbia | 6 | 15 Feb., 1947 | 15 Feb. | 102.00 | 5.80 |
| Manitoba | 4 | 1 July, 1947 | 1 Jan. | 81.26 | 5.90 |
| *Manitoba | 5 | 2 Dec., 1959 | 2 Dec. | 95.50 | 5.31 |
| Manitoba | 6 | 1 Apr., 1947 | 1 Oct. | 102.00 | 5.80 |
| *New Brunswick | 4 | 1 June, 1948 | 1 Dec. | 91.15 | 4.80 |
| *New Brunswick | 4½ | 15 June, 1936 | 15 Dec. | 99.85 | 4.80 |
| New Brunswick | 5½ | 1 May, 1950 | 1 Nov. | 103.50 | 5.20 |
| *Nova Scotia | 4½ | 15 Nov., 1948 | 15 Nov. | 97.15 | 4.75 |
| Nova Scotia | 5 | 1 May, 1943 | 1 Nov. | 100.00 | 5.00 |
| *Ontario | 4½ | 1 Sep., 1944 | 1 Mar. | 101.00 | 4.50 |
| Ontario | 5 | 15 Oct., 1948 | 15 Oct. | 101.50 | 4.87 |
| Ontario | 5½ | 1 Feb., 1947 | 1 Feb. | 105.25 | 5.00 |
| P. E. I. | 4 | 1 Apr., 1939 | 1 Oct. | 91.00 | 5.57 |
| P. E. I. | 6 | 1 May, 1947 | 1 Nov. | 103.50 | 5.62 |
| *Quebec | 4½ | 1 May, 1961 | 1 Nov. | 97.00 | 4.47 |
| Saskatchewan | 4½ | 1 Oct., 1944 | 1 Oct. | 86.00 | 6.17 |
| Saskatchewan | 5 | 1 Oct., 1950 | 1 Oct. | 91.00 | 5.80 |
| Saskatchewan | 6 | 15 Mar., 1952 | 15 Mar. | 99.50 | 6.05 |
| *Newfoundland | 5 | 31 Dec., 1952 | 31 Dec. | 72.00 | 7.75 |
| *Newfoundland | 5½ | 1 July, 1939 | 1 Jan. | 75.00 | 10.40 |
| *Newfoundland | 6½ | 30 June, 1936 | 30 Dec. | 80.50 | 12.90 |
| **Cities** | | | | | |
| *Montreal | 5 | 1 Sep., 1963 | 1 Mar. | 104.00 | 4.70 |
| *Toronto | 4½ | 1 Jan., 1955 | 1 Dec. | 95.90 | 4.80 |
| *Vancouver | 5 | 15 Jan., 1970 | 15 July | 90.65 | 5.60 |
| Winnipeg | 5 | 1 Mar., 1944 | 1 Mar. | 92.50 | 5.90 |
| *Edmonton | 5½ | 1 Apr., 1947 | 1 Oct. | 88.35 | 6.75 |
| Calgary | 5 | 1 Jan., 1948 | 1 Jan. | 87.00 | 6.75 |
| Halifax | 6 | 1 July, 1951 | 1 Jan. | 104.65 | 5.60 |
| Saint John | 5 | 15 Dec., 1950 | 15 Dec. | 93.25 | 5.60 |
| Regina | 4½ | 1 July, 1950 | 1 Jan. | 76.75 | 6.75 |
| Victoria | 5 | 21 July, 1945 | 21 July | 90.20 | 6.10 |
| Quebec | 5 | 1 June, 1948 | 1 Dec. | 100.00 | 5.00 |

*New York payment.

## Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

# RELIANCE GRAIN EARNINGS DOWN PROSPECTS GOOD

## Pays Preferred Dividend From Surplus; Inventory Higher

The small grain crop of 1931-1932 in Western Canada affected earning of Reliance Grain Co. to the extent that the company barely covered fixed charges and earned by 11 cents per share on the 20,000 shares of preferred stock as compared with $8.25 per share in the preceding year. The decline was felt in both country and terminal elevators and in the export department. The amount of grain carried over in the company's elevators is practically the same as in the preceding year and this combined with the good crop now being harvested will leave a much larger surplus for export than last year with prospects for a good export demand.

While operating profits in the year ended July 31, 1931, declined to $325,783 from $506,114 the preceding year some increase was made in depreciation allowance. The income and surplus account for the past two years is as follows:

CONS. INCOME AND SURPLUS ACCT.
Years Ended July 31

| | 1932 $ | 1931 $ |
|---|---|---|
| Operating profit .... | 325,783 | 506,114 |
| Less: Deprec. ....... | 208,671 | 203,974 |
| Bond interest ..... | 114,836 | 116,122 |
| Inc. tax reserve .. | ....... | 21,000 |
| Net profit ......... | 2,276 | 165,018 |
| Less appropriations: Preferred dividends | 130,000 | 130,000 |
| Surplus for year ... | *127,724 | 35,018 |
| Add: Prev. surplus . | 925,927 | 890,909 |
| Less: Addit. inc. tax 1931 ............ | 1,849 | |
| Bal. carried fwd. ... | 796,354 | 925,927 |

*Deficit.

Working capital position has been impaired a little as ratio of current assets to current liabilities is down to 1.4 to 1 from 1.51 to 1. Inventories of grain and coal are up to $3,738,163 from $3,082,929 while accounts and advances receivable are down to $281,701 from $338,579. Stocks and bonds of other industrial companies are shown at $82,011, down from $99,810 while farm property, mortgages and agreements are carried at $72,075. Bank loans and overdrafts have been increased to $2,036,855 from $1,307,897 and accounts payable are down to $307,292 from $333,614. Liabilities to Smith-Murphy Co. have been reduced to $148,521 from $774,269. Working capital position compares with that of the previous year as follows:

Working Capital

| | 1932 $ | 1931 $ |
|---|---|---|
| Current assets ..... | 4,218,049 | 3,658,428 |
| Current liabs. ...... | 3,001,595 | 2,424,921 |
| Working capital .... | 1,216,454 | 1,233,507 |
| Ratio ............... | 1.40—1 | 1.51—1 |

Fixed assets are carried at $3,406,424 after reserve for depreciation now standing at $691,734. Deferred charges total $61,087; memberships and shares are carried at $148,030 and investment in Smith-Murphy Co. remains at $250,000. There remains outstanding $1,872,600 of 6 per cent first mortgage bonds, $44,900 having been retired in the past year. Capital stock remains unchanged with 100,000 shares of no par value common in addition to the 20,000 shares of $100 par value preferred.

# PAPER MEN HOLD MEETING IN MONTREAL

(Continued from page 9)

maintained at the same level, the reduction of $5.50 a ton would mean a straight loss of $878,537. If the drop in exchange is taken into consideration, the net loss would reach $1,000,000 or more.

Taking the industry as a whole, marketings of Canadian newsprint in the United States during 1931 totalled 2,063,561 tons. On the basis of equal shipments over the next twelve months period, a cut of $5.50 a ton, would mean a loss in gross revenue to the industry of $11,349,585. This sum would be further increased if consideration is given to the drop in exchange and the difference in principal involved.

### May Wipe Out Margin

How this will work out in the case of the individual operator is difficult to say at this time. Some idea is to be gained, however, by examining the last reported income statements.

St. Lawrence Corp. showed an operating profit in 1931 of $1,171,738, and a deficit after all charges of $365,101.

Abitibi Power and Paper had a profit of $5,199,946 profit and a balance after charges of $481,245 (company is not now earning its bond interest).

Price Bros. & Co. had an operating profit of $583,769 and after all charges a deficit of $3,612,327.

Mersey Paper reported an operating profit of $1,093,573 and a net profit of $333,464.

Consolidated Paper did not publish a statement, but is understood to be covering operating costs and depreciation charges.

Canadian International Paper had an operating profit of $4,530,869 and a loss after dividends of $444,100.

Donnacona Paper Co. had an operating profit of $434,879 and a loss after charges of $835,931.

It is apparent that earning power of the principal operators is at a point where a difference of $5 a ton, or more, as in the present case, would not only wipe out operating profits in many instances, but seriously embarrass some of the operators.

The situation at present is regarded as more serious than at any time in the history of the industry.

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# FEDERAL GRAIN EARNINGS SHOW SLIGHT DECLINE

## Interest Earned After Large Write-off For Depreciation

From Our Own Correspondent

MONTREAL.—Despite the fact that volume of grain handled by Federal Grain Co. in the fiscal year ended July 31, 1932, was less than the previous year, substantial economies effected in operating costs enabled the company to maintain its earnings at a point only slightly below those of 1931. Operating profit was $765,192 compared with $789,399 in the year ended July 31, 1931. After all charges, however, there was a net deficit of $15,982 compared with a net profit of $213,646 in the previous year.

The deficit last year is due to an increase in provision for depreciation which amounted to $432,709 contrasted with $221,381 in the preceding year. It is pointed out that in view of reduced building costs since formation of the company it has been deemed advisable to substantially increase depreciation reserve account. Bond interest charges were also slightly higher owing to the premium on U. S. exchange. No dividends were paid during the year, and a balance of $466,608 was brought forward into the current period.

### Profit and Loss Accounts

Following is a comparison of profit and loss figures for the past two years ended July 31:

| | 1932 $ | 1931 $ |
|---|---|---|
| Oper. profit ........ | 765,192 | 789,399 |
| Less: Bond int. ..... | *279,946 | 249,540 |
| Depreciation ....... | 432,709 | 221,381 |
| Property adj. .... | 55,388 | 87,878 |
| Income tax ....... | 4,177 | ...... |
| Org. exp. w/o ... | 8,954 | 16,954 |
| Net profit ......... | †15,982 | 213,646 |
| Less: Pref. divds. ... | ...... | 97,500 |
| Srp. for year ....... | †15,982 | 116,146 |
| Add: Prev. surp. .... | 482,590 | 366,444 |
| Bal. forward ....... | 466,608 | 482,590 |

† Deficit. * Including U. S. exchange.

Working Capital

| | 1932 | 1931 |
|---|---|---|
| Current assets ...... | 2,561,478 | 3,233,127 |
| Current Liabilities .. | 2,250,230 | 3,303,206 |
| Working capital .... | 311,248 | ‡70,079 |

‡Excess of current liabilities.

### Working Capital Improved

Improvement in working capital position is noteworthy. Due to a reduction of over $1,300,000 in bank loans, the balance sheet at the end of last year shows a working capital of $311,248 compared with an excess of current liabilities over current assets of $70,079 at the end of the previous year.

Among assets, inventories are lower by $600,000 at $2,385,921; accounts receivable have been cut in half at $32,087 and the sum of $40,877 is shown as owing from the Saskatchewan Relief Commission. Investments in stocks and bonds, valued as at July 31, 1930, with subsequent additions at cost, are carried at $141,371 compared with $137,510 at the end of the previous year.

Bonds of the company purchased in anticipation of sinking fund are carried at cost value of $105,107 against $75,614. Depreciated value of property is carried at $7,960,850 a decline of $359,000.

### Bank Loans Reduced

In liabilities bank loans of $1,419,539 compare with $2,783,683 in the previous year, and accounts payable are up $311,000 at $830,690. During the year there were redeemed $100,000 of six per cent first mortgage bonds leaving outstanding $4,059,000, but an issue of $1,000,000 six per cent general mortgage debentures issued to banks as collateral is shown for the first time. Capital stock is unchanged.

In his remarks to shareholders, H. E. Sellers, president of the company, points out that elevators in drought areas remained closed throughout the season and others in poor crop districts were open for only a short period. He states that the company now has a grain handling system with country elevators of a total storage capacity of 10,000,000 bushels at 384 stations throughout Manitoba, Saskatchewan, and Alberta, and terminal elevators at the head of the Great Lakes, having a storage capacity of 7,500,000 bushels.

## Dominion Steel Starts Rolling 15,000 Tons of Rails

From Our Own Correspondent

MONTREAL.—Sydney steel plant of Dominion Steel and Coal Corp. will reopen shortly on an order for 15,000 tons of steel rails. With the reopening of the plant it is expected that conditions in the company's collieries at Glace Bay will show an improvement, as there will be an increased demand for coal.

## Business Manager

Milne Studio, Toronto.

**DOUGLAS M. GOWDY**

Who has been appointed business manager of The Financial Post. Mr. Gowdy was until recently attached to the Montreal office of The Post. In Montreal, Mr. Gowdy was first vice-president of the Advertising Club. He is a native of Ontario and a graduate of the University of Toronto and has visited every province in Canada in connection with his work on The Post.

# MIDLAND PACIFIC COMMON EARNED $1.62 PER SHARE

## Bank Loan Halved; Cash Higher; Write Common Shares Up to $10

Midland & Pacific Grain Corp. closed its fiscal year on July 31 with operating profit of $223,673 as compared with $232,613 in the preceding year. After provision for increased income tax and payment of preferred dividends the company shows $1.62 earned per share on the 100,000 common shares as compared with $1.02 earned per share in 1930-1931. While no provision for depreciation or bad debt reserve is shown in the earnings statement the balance sheet indicates that depreciation reserve has been increased by $57,362 and bad debt reserve is shown at $10,355.

Income and surplus account is as follows:

GENERAL INCOME & SURPLUS ACCT.
Years Ended July 31

| | 1932 $ | 1931 $ |
|---|---|---|
| Oper. profit ......... | *223,673 | 232,613 |
| Less: Depreciation .. | ...... | 54,840 |
| Bad debts res. ..... | ...... | 23,593 |
| Income tax res. .... | 28,218 | 18,138 |
| Net profit .......... | 195,455 | 136,042 |
| Less appropriations: Pref. dividends .... | 32,900 | 33,950 |
| Common divds. ... | 25,000 | ...... |
| Surplus for year .... | 137,555 | 102,092 |
| Add: Prev. surplus .. | 1,013,360 | 911,268 |
| Less: Trans. to cap. acct. ............. | 900,000 | ...... |
| Balance carr. for'd... | 250,915 | 1,013,360 |

*After provision for depreciation.

Working capital position has been improved and ratio of current assets to current liabilities is up to 3.21 to 1 from 2.76 to 1. Cash is up to $30,241 from $289; accounts receivable, after reserve, are down to $135,279 from $168,798. Inventories are up to $667,068 from $614,688. Investments and memberships, shown at cost are but slightly higher at $247,292. Bank loans have been reduced to $100,000 from $200,956 and are secured by investments having a par value of $200,000. Accounts payable are up to $198,285 from $127,972 while reserves for bonuses, taxes, pensions, etc., are down to $37,462 from $44,255.

Working capital position is as follows:

Working Capital

| | 1932 $ | 1931 $ |
|---|---|---|
| Current assets ...... | 1,079,880 | 1,028,297 |
| Current liabs. ....... | 335,746 | 373,183 |
| Working capital .... | 744,134 | 655,114 |
| Ratio ............... | 3.21—1 | 2.76—1 |

Fixed assets including elevator properties, equipment, etc., are shown at $959,418 after depreciation reserve of $214,737. In 1931 fixed assets were carried at $928,246 after depreciation reserve of $157,375. Deferred charges amount to $2,364. During the year the company has redeemed another 150 shares of $100 par value preferred leaving $455,000 outstanding. The 100,000 shares of no par value common have been written up to $1,000,000 from $100,000 by transferring $900,000 from surplus account.

## High Protein Content For New Wheat Crop

Preliminary tests made on the protein content of the new wheat crop of Western Canada show very satisfactory results. A maximum of 18.1 per cent was found in No. 1 Northern from Manitoba in 376 samples tested, and the minimum 10 per cent, but the average of 13.8 per cent, although below the average for last year, was better than the five-year average, which included last year.

The tests on 308 samples of No. 1 Northern from Saskatchewan points showed a maximum of 18 per cent and a minimum of 10.8 per cent, with the average working out at 14.8 per cent, compared with an average of 14.6 for all No. 1 Northern from that province tested last year. The number of samples received from Alberta was too small to make comparative tests.

### Newsprint in the Lead

Newsprint paper made up 85.3 per cent of the total reported tonnage of paper manufactured in the Dominion during 1931

# Canadian Bond Quotations (Continued)

## Listed Bond Quotations

Week Ending September 19

| Montreal | Int. Rate | Due | Yield | Latest Bid | High | Low | Range, 1932 High | Low |
|---|---|---|---|---|---|---|---|---|
| Abitibi, 1st mtge . | 5 | 1953 | ... | 27 | ... | ... | 46 | 19½ |
| Asbestos ......... | 5 | 1942 | ... | 16 | ... | ... | 65½ | 49 |
| Do., 1st mtge. .. | 6 | 1941 | ... | ... | ... | ... | *20 | 14 |
| Do., gen. mtge. . | 6 | 1956 | ... | ... | ... | ... | *9 | ... |
| Can. Cons. Rub. .. | 6 | 1946 | ... | ... | ... | ... | *69½ | ... |
| Can. Cottons ...... | 5 | 1940 | ... | ... | ... | ... | *91 | 90 |
| Can. Forgings .... | 6 | 1942 | ... | ... | ... | ... | *100 | ... |
| Can. Locomotive .. | 6 | 1951 | ... | ... | ... | ... | ‡96 | ... |
| Can. Pr. (Laur.) .. | 5½ | 1958 | ... | †6½ | ... | ... | 7 | 5 |
| Do. (Way. Ser.) . | 5½ | 1958 | ... | ... | ... | ... | *28½ | 5½ |
| Can. S. S. debs. ... | 5 | 1943 | ... | ... | ... | ... | ‡98½ | ... |
| Cedars Rapids .... | 5 | 1953 | 4.92 | †100 | 101 | ... | 101 | 95 |
| Dom. Canners .... | 6 | 1940 | ... | ... | ... | ... | ‡103 | ... |
| Dominion Coal .... | 5 | 1940 | ... | ... | ... | ... | *98½ | 95 |
| McNish ........... | 6 | 1948 | ... | 1.25 | ... | ... | 1.25 | 1.00 |
| Mex. L & Pr. ..... | 5 | 1940 | ... | ... | ... | ... | *73½ | 70½ |
| Mont. L.H.&P. deb. | 3 | 1939 | ... | ... | 48½ | 42½ | 44 | 35 |
| Mont. Tr. 1st mtge. | 5 | 1941 | 5.37 | †99 | ... | ... | 97½ | 90½ |
| Mont. Trams. "A" | 5 | 1955 | 6.72 | ... | 80 | ... | 84½ | 69½ |
| Do. G. & Ref. "B" | 5 | 1955 | 7.45 | ... | ... | ... | 79½ | 78½ |
| Do., "C" ....... | 4½ | 1955 | ... | ... | ... | ... | *85 | 84 |
| Do., "D" ....... | 5 | 1955 | 6.62 | †78 | ... | ... | 81 | 78 |
| N. S. Steel ........ | 5 | 1959 | ... | ... | ... | ... | *62½ | 59 |
| Ontario Steel .... | 6 | 1943 | 5.94 | ... | ... | ... | 100½ | ... |
| Porto R. Pr. ..... | 5 | 1936 | ... | 90 | ... | ... | *93 | 88 |
| Steel of Canada .. | 6 | 1940 | 5.90 | 102 | ... | ... | 102½ | 100½ |
| Wayagamack ..... | 6 | 1951 | ... | †41 | ... | ... | *75 | 45 |
| Winnipeg Elec. ... | 5 | 1935 | ... | 86 | ... | ... | 86 | ... |
| **Toronto** | | | | | | | | |
| Canada Bread .... | 6 | 1941 | ... | ... | ... | ... | *101½ | 100 |
| Steel of Canada .. | 6 | 1940 | ... | ... | ... | ... | 102½ | ... |
| **Dominion Govt. Bonds (Montreal)** | | | | | | | | |
| War Loan ........ | 5 | 1937 | 2.55 | 109.75 | .... | .... | 107.00 | 102.00 |
| Victory Loan ..... | 5½ | 1933 | 4.10 | 101.50 | .... | .... | 101.55 | 100.25 |
| Do. ............ | 5½ | 1934 | 4.54 | 101.85 | 101.90 | 101.85 | 101990 | 9..25 |
| Do. ............ | 5½ | 1937 | 3.80 | 107.25 | .... | .... | 109.75 | 104.00 |
| Do., refund ..... | 4½ | 1940 | 4.69 | 98.25 | .... | .... | 98.25 | 91.50 |
| Do., refund ..... | 5 | 1943 | 4.81 | 101.25 | .... | .... | 101.25 | 95.38 |
| Do., refund ..... | 4½ | 1944 | 4.76 | 97.25 | .... | .... | 96.75 | 89.50 |
| Do., refund ..... | 4½ | 1946 | 4.74 | 97.25 | .... | .... | 92.25 | 91.50 |

| Montreal | Int. Rate | Due | Yield | Latest Bid | High | Low | Range, 1932 High | Low |
|---|---|---|---|---|---|---|---|---|
| Conversion Loan .. | 4½ | 1956 | 4.76 | 96.00 | .... | .... | 91.50 | 88.25 |
| Do. ............ | 4½ | 1957 | 4.84 | 96.00 | .... | .... | 90.50 | 88.00 |
| Do. ............ | 4½ | 1958 | 4.78 | 96.85 | .... | .... | 97.00 | 88.50 |
| Do. ............ | 4½ | 1959 | 4.66 | 97.25 | 97.50 | 97.00 | 97.50 | 88.75 |
| Nat. Service Loan . | 5 | 1936 | 4.56 | 101.45 | 101.60 | 101.37 | 101.60 | 96.25 |
| Do. ............ | 5 | 1941 | 4.77 | 101.15 | .... | .... | 101.00 | 95.00 |

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

## Foreign Exchange

| | New York Funds High (Premium) % | Low % | Last Year High (Premium) % | Low % |
|---|---|---|---|---|
| Sept. 14 .......... | 10 7-8 | 10 3 4 | 29-32 | 25-32 |
| sSept. 15 .......... | 10 7-8 | 10 3-4 | 1 | 27-32 |
| Sept. 16 .......... | 10 13-16 | 10 3-4 | 1 1-32 | 15-16 |
| Sept. 17 .......... | 10 13-16 | 10 11-16 | 1 1-8 | 1 |
| Sept. 19 .......... | 11 | 10 3-4 | 1 3-4 | 1 1-8 |
| Sept. 20 .......... | 11 1-2 | 10 7-8 | 2 1-4 | 1 3-4 |

STERLING, FRANCS AND LIRE
(Close Demand in New York)

| | Sterling | Francs | Lire |
|---|---|---|---|
| Sept. 14 .......... | 3.47 1-2 | 3.91 5-8 | 5.12 3-4 |
| Sept. 15 .......... | 3.47 1-4 | 3.91 13-16 | 5.12 3-8 |
| Sept. 16 .......... | 3.47 1-8 | 3.91 5-8 | 5.12 3-4 |
| Sept. 17 .......... | 3.47 1-8 | 3.91 5-8 | 5.12 3-4 |
| Sept. 19 .......... | 3.47 | 3.91 3-4 | 5.12 5-8 |
| Sept. 20 .......... | 3.47 | 3.91 7-8 | 5.12 3-8 |

FOREIGN EXCHANGE
(Close Demand in Toronto)

| Par | | Sept. 6 | Sept. 13 | Sept. 20 |
|---|---|---|---|---|
| 5.26 | Italian ........... | 5.64½ | 5.68 | 5.72 |
| 23.80 | German .......... | 26.18¾ | 26.30½ | 26.55 |
| 13.90 | Belgian .......... | 15.25 | 15.34 | 15.42 |
| 49.80 | Japanese ......... | 25.72 | 26.00 | 27.32 |

# Mining Stock Quotations

Week Ending September 19

| Par Val. | Range 1932 High | Low | Company | Sales | Close Sept. 12 (or last) | High for week | Low for week | Close Sept. 19 |
|---|---|---|---|---|---|---|---|---|
| 1 | .06 | .03 | Abana......... | 450 | .06 | .06 | .04 | .06 |
| 1 | .03 | .00½ | Aconda......... | 4,000 | .01½ | .01½ | .01 | .01 |
| No | .15 | .15 | Aldermac......... | | .15 | ..... | ..... | ..... |
| No | .20 | .08 | Algoma......... | 538,300 | .12 | .12 | .08 | .08½ |
| 1 | .09 | .00½ | Alexandria......... | 165,925 | .02½ | .04 | .02½ | .03½ |
| 1 | .01½ | .00½ | Algonquin......... | 1,500 | .00½ | .00½ | .00½ | .00½ |
| 1 | .01½ | .00½ | Amity C......... | 8,000 | .01 | .01 | .00½ | .00½ |
| No | .36 | .06 | Amulet......... | 25,195 | .25 | .26 | .22 | .22 |
| 1 | .00½ | .00½ | Apex......... | 7,000 | .00½ | .00½ | .00½ | .00½ |
| 1 | .04 | .01 | Area......... | 5,100 | .03½ | .03½ | .03 | .03 |
| 1 | .02½ | .02 | Astoria Rouyn......... | ...... | .02½ | ..... | ..... | ..... |
| i | .03½ | .00½ | Arno......... | 110,400 | .03½ | .03½ | .02½ | .02½ |
| 1 | .07 | .02½ | Bagamac......... | 1,000 | .02½ | .03 | .03 | .03 |
| 1 | .01½ | .00½ | Baldwin......... | 6,000 | .01½ | .01½ | .01½ | .01½ |
| 1 | .12 | .03½ | Barry Hollinger......... | 8,500 | .05½ | .06 | .04½ | .05 |
| No | 1.45 | .30 | Base Metals......... | 1,300 | 1.14 | 1.10 | .95 | 1.00 |
| No | .12 | .01 | Bidgood......... | 31,300 | .03½ | .03 | .02½ | .02½ |
| 1 | .21 | .04 | Big Missouri......... | 13,800 | .16 | .15½ | .14 | .14 |
| 1 | .10 | .02 | Bobjo......... | 72,750 | .09½ | .09 | .08 | .08½ |
| 1 | .17 | .02½ | Brett Trethewey......... | 55,175 | .11 | .17 | .11 | .16½ |
| No | .03 | .00½ | Brownlee......... | 49,100 | .02½ | .03 | .02½ | .02½ |
| 1 | .00½ | .00½ | Buckingham......... | ...... | .00½ | ..... | ..... | ..... |
| No | .36 | .02 | Buffalo Can......... | 54,700 | .04 | .05 | .04 | .04 |
| No | .04 | .01 | Bunker Hill......... | 9,000 | .03½ | .03½ | .03 | .03 |
| 5s | 1.03 | .10 | B'Wana McKubwa......... | ...... | 1.03 | ..... | ..... | ..... |
| No | .01 | .00½ | Cal. Flin Flon......... | ...... | .01 | ..... | ..... | ..... |
| No | .04 | .02 | Canam Metals......... | 1,000 | .04 | .04 | .04 | .04 |
| 1 | .04 | .01½ | Can. Kirkland......... | 16,000 | .02 | .02 | .02 | .02 |
| 1 | .09 | .00½ | Canusa......... | 15,000 | .04½ | .05 | .03½ | .03½ |
| No | .02½ | .00½ | Capital Rouyn......... | ...... | .00½ | ..... | ..... | ..... |
| 1 | .07 | .02½ | Cartier Malartic......... | 14,100 | .04½ | .05 | .03 | .03 |
| 1 | .21½ | .09 | Castle Trethewey......... | 11,100 | .18 | .17½ | .16½ | .17 |
| 1 | .09½ | .04 | Cen. Manitoba......... | 5,200 | .07 | .07½ | .07 | .07½ |
| 1 | .13½ | .02 | Cen. Patricia......... | 1,625 | .10 | .11 | .10 | .11 |
| No | .07½ | .01½ | Chibougamau Pros......... | 1,000 | .05½ | .06 | .06 | .06 |
| No | .02 | .00½ | Clericy......... | 18,000 | .01½ | .01½ | .01½ | .01½ |
| 5 | 5.00 | .45 | Coast Copper......... | 1,330 | 3.25 | 3.00 | 2.50 | 3.00 |
| 1 | .02½ | .00½ | Cobalt Contact......... | 2,500 | .01½ | .01½ | .01½ | .01½ |
| No | .16 | .15 | Cobuc......... | ...... | .15½ | ..... | ..... | ..... |
| 1 | .08 | .03 | Columario......... | 6,200 | .05½ | .06 | .05 | .05 |
| 5 | 1.10 | .69 | Coniagas......... | 800 | 1.10 | 1.10 | 1.10 | 1.10 |
| No | .50 | .28 | Coniaurum......... | ...... | .40 | ..... | ..... | ..... |
| 25 | 102.00 | 25.00 | Cons. Smelters......... | 9,780 | 86.50 | 86.37 | 74.00 | 78.00 |
| No | 13.25 | 9.00 | Dome Mines......... | 17,525 | 12.50 | 13.25 | 12.20 | 12.60 |
| No | .10 | .02 | Dom. Explorers......... | 41,600 | .07 | .06½ | .05½ | .06 |
| i | .00½ | .00½ | Dominion Kirk......... | 1,000 | .00½ | .00½ | .00½ | .00½ |
| | .04 | .00½ | Don Rouyn......... | 10,800 | .04 | .04 | .03 | .03 |
| i | .04 | .03 | Duparquet......... | 4,000 | .03 | .03 | .03 | .03 |
| i | 1.60 | .76 | Eldorado......... | 22,400 | 1.45 | 1.48 | 1.40 | 1.40 |
| No | 2.40 | .47 | Falconbridge......... | 13,870 | 1.91 | 2.00 | 1.60 | 1.60 |
| 1 | .04 | .00½ | Federal......... | ...... | .02 | ..... | ..... | ..... |
| No | .00½ | .00½ | Flintoba......... | ...... | .00½ | ..... | ..... | ..... |
| No | .07 | .00½ | Gem. Lake......... | 4,500 | .01½ | .01½ | .01½ | .01½ |
| 1 | .03 | .00½ | Goldale......... | 3,500 | .02½ | .01½ | .01½ | .01½ |
| 10 | .24 | .00½ | Goldfield......... | 1,000 | .15 | .22 | .22 | .22 |
| 1 | .00½ | .00½ | Gold Hill......... | 1,500 | .00½ | .00½ | .00½ | .00½ |
| 1 | .04 | .02½ | Goodfish......... | 1,000 | .03 | .03 | .03 | .03 |
| 1 | .03½ | .00½ | Graham......... | 3,500 | .02½ | .01½ | .01½ | .01½ |
| 1 | 1.25 | .50 | Granada......... | 22,865 | .90 | .70 | .70 | .72½ |
| 1 | .22 | .06 | Grozelle......... | 5,000 | .06 | .09 | .09 | .09 |
| 1 | .03½ | .01 | Harker......... | 22,500 | .02 | .02 | .02 | .03½ |
| 1 | .01½ | .00½ | Hilltop......... | 22,500 | .01 | .01 | .01 | .01 |
| 5 | 5.80 | 4.25 | Hollinger......... | 6,872 | 5.45 | 5.50 | 5.40 | 5.40 |
| 1 | .72 | .26 | Howey Gold......... | 23,660 | .68 | .70 | .65½ | .67 |
| No | 5.30 | .92 | Hudson Bay......... | 8,645 | 4.25 | 4.25 | 3.50 | 3.70 |
| No | .20 | .13 | Huronian......... | ...... | .13 | ..... | ..... | ..... |
| No | 13.50 | 4.00 | Int. Nickel......... | 89,977 | 11.00 | 11.12 | 9.37 | 9.50 |
| 1 | .01½ | .00½ | Jackson Manion......... | 12,500 | .01½ | .01½ | .01 | .01 |
| 1 | .25 | .20 | Keeley......... | 100 | .20 | .20 | .20 | .20 |
| 1 | .02½ | .00½ | Keora Mines......... | ...... | .01½ | ..... | ..... | ..... |
| 1 | .70 | .40 | Kirk. Hud. Bay......... | 6,400 | .53 | .60 | .50 | .50 |
| 1 | .02½ | .00½ | Kirk. Hunton......... | 5,500 | .00½ | .00½ | .00½ | .00½ |
| 1 | .55 | .19 | Kirkland Lake......... | 20,150 | .36½ | .36 | .32 | .32 |
| 1 | .03½ | .00½ | Kirkland Premier......... | 3,000 | .01½ | .01½ | .01½ | .01½ |
| 1 | .13 | .05 | Kirk. Townsite......... | 8,600 | .09½ | .09 | .08 | .08½ |
| 20c | .01½ | .00½ | Koot. Florence......... | 5,500 | .01 | .01 | .01 | .01 |
| 1 | .01½ | .00½ | La Rose......... | ...... | .01½ | ..... | ..... | ..... |
| 1 | .41 | .14 | Lakeland......... | ...... | .25 | ..... | ..... | ..... |
| 1 | 30.25 | 24.90 | Lake Shore......... | 4,635 | 28.50 | 28.75 | 28.10 | 28.75 |
| 1 | .00½ | .00½ | Laval......... | ...... | .00½ | ..... | ..... | ..... |
| 1 | .07 | .01½ | Lebel Oro......... | ...... | .02½ | ..... | ..... | ..... |
| 1 | .41 | .13 | Macassa......... | 22,350 | .23 | .22 | .20 | .22 |
| 1 | .07 | .02½ | Malartic......... | 4,700 | .05 | .04½ | .04½ | .04½ |
| 1 | .01½ | .00½ | Malrobic......... | 117,500 | .01½ | .01½ | .01 | .01½ |
| No | .08 | .02 | Mandy......... | 2,209 | .08 | .06½ | .06 | .06 |
| No | .02 | .00½ | Manitoba Basin......... | 37,700 | .01½ | .01½ | .01 | .01 |
| 5 | 21.35 | 14.70 | McIntyre......... | 2,382 | 18.30 | 18.50 | 18.00 | 18.00 |
| 1 | .55 | .25 | McKinley......... | ...... | .30 | ..... | ..... | ..... |
| No | .09½ | .02½ | McLeod River......... | 100,500 | .05½ | .05½ | .04½ | .04½ |
| No | 1.85 | .58 | Mining Corp......... | 7,410 | 1.56 | 1.63 | 1.50 | 1.55 |
| 1 | .08½ | .01½ | Moffatt Hall......... | 50,000 | .02½ | .03½ | .02½ | .03 |
| 1 | .02½ | .02 | Moneta......... | ...... | .02 | ..... | ..... | ..... |
| 1 | .45 | .19½ | Moss......... | 29,300 | .39½ | .39 | .25 | .30 |
| 1 | .02½ | .00½ | Murphy......... | 2,000 | .01½ | .01½ | .01½ | .01½ |
| No | .06 | .01 | Newbec......... | 15,900 | .04½ | .04½ | .04 | .04 |
| 5 | 1.48 | .50 | Nipissing......... | 1,170 | 1.25 | 1.30 | 1.20 | 1.20 |
| No | 23.25 | 12.50 | Noranda......... | 41,300 | 21.00 | 21.15 | 19.50 | 19.50 |
| No | .33 | .10 | Nor. Canada......... | 26,250 | .23 | .33 | .23 | .30 |
| No | .01 | .00½ | Old Colony......... | ...... | .00½ | ..... | ..... | ..... |
| 1 | .09 | .05 | Osisko......... | 4,500 | .06 | .09 | .07 | .09 |
| 1 | .17 | .07 | Parkhill......... | 8,700 | .16 | .17 | .14 | .16½ |
| 1 | .13½ | .11 | Patricia Dent......... | ...... | .13 | ..... | ..... | ..... |
| 1 | .02 | .01 | Pawnee Kirk......... | ...... | .01 | .01½ | .01½ | .01½ |
| No | 1.25 | .35 | Pend Oreille......... | 5,000 | 1.00 | 1.00 | .90 | .90 |
| 1 | .01½ | .00½ | Peterson Cobalt......... | 2,700 | .01½ | .01 | .00½ | .01 |
| 1 | 4.25 | 3.00 | Pioneer Gold B.C......... | 950 | 3.95 | 3.85 | 3.80 | 3.85 |
| 1 | .00½ | .00½ | Porcupine Crown......... | ...... | .00½ | ..... | ..... | ..... |
| 1 | .02 | .00½ | Potter Doal......... | ...... | .01 | ..... | ..... | ..... |
| i | .12 | .12 | Powell Rouyn......... | ...... | .12 | ..... | ..... | ..... |
| 1 | .75 | .32 | Premier Gold......... | 1,100 | .70 | .67 | .62 | .62 |
| 1 | .00½ | .00½ | Preston E. Dome......... | 500 | .00½ | .00½ | .00½ | .00½ |
| No | .30 | .15 | Prospectors Air's......... | ...... | .18 | ..... | ..... | ..... |
| No | 1.00 | 1.00 | Quebec Pros......... | ...... | 1.00 | ..... | ..... | ..... |
| No | .10 | .03 | Quemont......... | ...... | .08 | ..... | ..... | ..... |
| 1 | .02½ | .00½ | Ribago......... | 39,500 | .01½ | .01½ | .01½ | .01½ |
| 1 | .02½ | .01 | Ritchie......... | 3,000 | .02 | .01½ | .01½ | .01½ |
| 1 | .01½ | .00½ | Robb Montbray......... | ...... | .01½ | ..... | ..... | ..... |
| 1 | .70 | .25 | San Antonio......... | 10,005 | .70 | .70 | .65 | .65 |
| 1 | .09 | .07½ | Seven Troughs......... | ...... | .07½ | ..... | ..... | ..... |
| 1 | .77 | .18 | Sherritt Gordon......... | 192,920 | .60 | .60 | .51 | .54 |
| 1 | 1.00 | .50 | Siscoe......... | 79,375 | .87 | .91½ | .85 | .89 |
| 1 | .04 | .00½ | South Keora......... | 4,000 | .04 | .04 | .03 | .03 |
| No | .02½ | .00½ | Stadacona......... | 48,700 | .02½ | .02½ | .02½ | .02½ |
| 1 | .17 | .05 | St. Anthony......... | 1,000 | .08 | .07½ | .07 | .07½ |
| No | .90 | .16 | Sudbury Basin......... | 11,390 | .78 | .85 | .69 | .70 |
| 1 | .02½ | .00½ | Sudbury Contact......... | ...... | .02½ | ..... | ..... | ..... |
| 1 | .01 | .00½ | Sudbury Mines......... | 2,000 | .00½ | .00½ | .00½ | .00½ |
| 1 | .22 | .07 | Sullivan......... | 13,900 | .17 | .17 | .16 | .16 |

| Par Val. | Range 1932 High | Low | Company | Sales | Close Sept. 12 (or last) | High for week | Low for week | Close Sept. 19 |
|---|---|---|---|---|---|---|---|---|
| 1 | .87 | .39 | Sylvanite......... | 29,050 | .82 | .84 | .77½ | .78 |
| 1 | .07 | .01 | Tashota......... | 23,500 | .01½ | .02½ | .01½ | .02 |
| 1 | 5.25 | 3.10 | Teck Hughes......... | 21,178 | 3.35 | 3.40 | 3.21 | 3.33 |
| 1 | .07½ | .02 | Thom Cadillac......... | ...... | .05½ | ..... | ..... | ..... |
| 1 | .40 | .10 | Towagmac......... | 100 | .37 | .30 | .30 | .30 |
| 1 | 3.00 | 1.01 | Treadwell......... | 350 | 2.25 | 2.00 | 2.00 | 2.00 |
| 1 | .09½ | .02 | United Kirkland......... | ...... | .05 | ..... | ..... | ..... |
| 1 | .09½ | .00½ | Vacuum Gas......... | 45,500 | .09 | .09½ | .07½ | .08½ |
| No | 1.10 | .16 | Ventures......... | 75,050 | .86 | .85 | .70½ | .70½ |
| 1 | .18 | .04 | Vickers......... | 7,500 | .15 | .18 | .15 | .15 |
| 1 | .45 | .10 | Vipond......... | 4,800 | .34 | .30 | .25 | .25 |
| No | 1.01 | .25 | Waite Ackerman......... | 600 | .95 | .60 | .60 | .60 |
| 1 | .08 | .01 | White Lake......... | 1,800 | .06 | .05½ | .04 | .04½ |
| 1 | .01 | .01 | Wiltsey Coughlan......... | ...... | .01 | ..... | ..... | ..... |
| | .10 | .04½ | Wood Kirkland......... | 2,000 | .08 | .07 | .07 | .07 |
| No | 3.15 | 2.09 | Wright-Hargreaves......... | 21,770 | 3.00 | 3.04 | 2.88 | 2.90 |
| | | | **OIL STOCKS** | | | | | |
| No | .19 | .07½ | Acme Gas & Oil......... | 19,000 | .15½ | .15 | .13 | .15 |
| 1 | 1.17 | .60 | Ajax......... | 1,300 | .95 | .90 | .86 | .90 |
| 1 | .18 | .04½ | Alta. Pacific......... | 200 | .18 | .15 | .15 | .15 |
| 1 | .03½ | .02 | Askalta......... | ...... | .03½ | ..... | ..... | ..... |
| No | .20 | .02½ | Associated......... | 4,250 | .10 | .15 | .10 | .11 |
| No | .09 | .01 | Baltac......... | 500 | .06 | .04 | .04 | .04 |
| | .05½ | .00½ | Benton......... | ...... | .00½ | ..... | ..... | ..... |
| 1 | .06 | .02½ | Brit. Dominion......... | ...... | .03½ | ..... | ..... | ..... |
| No | .60 | .14 | Calgary & Ed......... | 200 | .51 | .40 | .40 | .40 |
| 1 | .15 | .04 | Calmont......... | 200 | .08 | .06 | .06 | .06 |
| 1 | .14 | .03 | Common Pete......... | 500 | .08½ | .07½ | .07½ | .07½ |
| No | .40 | .06½ | Dalhousie......... | 1,000 | .30 | .20 | .20 | .20 |
| No | .01 | .01 | Devenish......... | ...... | .01 | ..... | ..... | ..... |
| No | .02 | .00½ | Dome Oil......... | ...... | .00½ | ..... | ..... | ..... |
| No | .16 | .04 | East Crest......... | 100 | .12 | .10 | .10 | .10 |
| No | .01½ | .01½ | Fabyan Pete......... | ...... | .01½ | ..... | ..... | ..... |
| No | .25 | .06 | Foothills......... | 25 | .15 | .20 | .20 | .20 |
| No | .03½ | .02 | Freehold......... | ...... | .02 | ..... | ..... | ..... |
| 1 | .02 | .00½ | Great West......... | ...... | .00½ | ..... | ..... | ..... |
| No | .06½ | .03 | Hargal......... | ...... | .03 | ..... | ..... | ..... |
| No | .05 | .02 | High Sarcee......... | ...... | .02 | ..... | ..... | ..... |
| No | .85 | .15 | Home......... | 5,775 | .58 | .60 | .45 | .48 |
| No | .05 | .01½ | Homestead......... | ...... | .01½ | ..... | ..... | ..... |
| 1 | .50 | .09 | Homest'd O. & G......... | 21,141 | .20 | .23½ | .19½ | .23 |
| 1 | .01 | .00½ | Illinois Alberta......... | ...... | .00½ | ..... | ..... | ..... |
| No | .02½ | .00½ | Lethbridge......... | ...... | .00½ | ..... | ..... | ..... |
| No | .10 | .04 | Lowery......... | ...... | .10 | ..... | ..... | ..... |
| No | .02 | .00½ | Madison......... | ...... | .00½ | ..... | ..... | ..... |
| 1 | .32 | .05½ | Mayland......... | ...... | .21 | ..... | ..... | ..... |
| No | .04 | .01 | McD. Segur Ex......... | ...... | .01½ | ..... | ..... | ..... |
| 1 | .04½ | .01 | McD. Segur N......... | ...... | .01 | ..... | ..... | ..... |
| 1 | .50 | .18 | McLeod......... | ...... | .18 | ..... | ..... | ..... |
| No | .10½ | .06½ | Mercury......... | ...... | .07½ | ..... | ..... | ..... |
| No | .22 | .04½ | Merland......... | 5,000 | .20 | .19½ | .16½ | .16½ |
| No | .15 | .08½ | Mill City Pete......... | ...... | .08½ | ..... | ..... | ..... |
| 1 | .20 | .12 | Model......... | ...... | .13 | ..... | ..... | ..... |
| 1 | .05 | .04 | Monalta......... | ...... | .05 | ..... | ..... | ..... |
| 1 | .07 | .03 | Moose Mountain......... | ...... | .03 | ..... | ..... | ..... |
| 1 | .01 | .01 | New Federal......... | ...... | .01 | ..... | ..... | ..... |
| 5 | .14 | .01 | Nordon......... | 10,600 | .09 | .09½ | .07 | .07 |
| No | .06 | .02 | Oil Selection......... | 22,100 | .05½ | .05½ | .04½ | .04½ |
| No | .05 | .02½ | Okalta......... | ...... | .03 | ..... | ..... | ..... |
| 100 | 15.00 | 15.00 | Do., Pref......... | ...... | 15.00 | ..... | ..... | ..... |
| No | .32 | .09 | Olga Gas & Oil......... | 9,500 | .15 | .18 | .15 | .17 |
| No | .20 | .02 | Penn. Pete......... | 191,900 | .17½ | .16 | .13 | .13½ |
| No | 20.00 | 20.00 | Perfection Pete.Pfd......... | ...... | 20.00 | ..... | ..... | ..... |
| 1 | .28 | .12 | Petrol Oil & Gas......... | 1,100 | .15 | .16 | .15 | .16 |
| No | .14 | .08 | Ranchmen's......... | ...... | .09 | ..... | ..... | ..... |
| 1 | .01 | .00½ | Regent......... | ...... | .00½ | ..... | ..... | ..... |
| No | .02½ | .01 | Richfield......... | ...... | .01 | ..... | ..... | ..... |
| No | 9.85 | 3.95 | Royalite......... | 961 | 8.00 | 8.50 | 8.00 | 8.00 |
| 1 | .29½ | .05 | Sarnia Oil......... | 500 | .20 | .15 | .15 | .15 |
| 1 | .03 | .01 | Signal Hill......... | ...... | .01 | ..... | ..... | ..... |
| | .12 | .06 | South West Pete......... | 1,800 | .07 | .06 | .06 | .06 |
| 1 | .20 | .10 | Spooner......... | ...... | .15 | ..... | ..... | ..... |
| No | .21 | .05½ | Sterling Pacific......... | 3,000 | .17½ | .16 | .13½ | .13½ |
| 1 | .11 | .07½ | Turner Valley......... | ...... | .07½ | ..... | ..... | ..... |
| No | .08 | .03 | United......... | ...... | .03 | ..... | ..... | ..... |
| 1 | .09½ | .03 | Vulcan......... | ...... | .03 | ..... | ..... | ..... |
| No | .02½ | .00½ | Wainwell......... | 16,600 | .02½ | .02½ | .01½ | .01½ |
| | | | **VANCOUVER STOCK EXCHANGE** (Transaction for Week to September 13) | | | | | |
| 25c | .00½ | .00½ | Bayview......... | ...... | .00½ | ..... | ..... | ..... |
| 20c | .05½ | .03½ | Beaver Silver......... | 2,500 | .03½ | .03½ | .03½ | .03½ |
| 25c | .04 | .01 | Bluebird......... | ...... | .03 | ..... | ..... | ..... |
| | .81 | .72 | Bralorne......... | 1,550 | ..... | .81 | .72 | .75 |
| 1 | .12 | .04 | Bridge River Cons......... | 6,200 | .06 | .06½ | .05½ | .06½ |
| 25c | .01½ | .01 | Cork Province......... | ...... | .01 | ..... | ..... | ..... |
| 1 | .13 | .02 | Cotton Belt......... | 3,000 | .05 | .05½ | .04 | .04 |
| | .01½ | .01½ | Dalhousie Mines......... | ...... | .01½ | ..... | ..... | ..... |
| 1 | 1.00 | .15 | George Copper......... | 1,370 | .93 | .90 | .40 | .50 |
| 50c | .02 | .01 | Geo. Enterprise......... | ...... | .01 | ..... | ..... | ..... |
| 1 | .05 | .02 | Georgia River......... | 50,900 | .02½ | .02½ | .02½ | .02½ |
| 1 | .35 | .10 | Golconda......... | 1,000 | .35 | .30 | .25 | .25 |
| 50c | .08 | .02 | Grandview......... | 31,900 | .06½ | .07½ | .05 | .05½ |
| 1 | .01 | .00½ | Independence......... | ...... | .00½ | ..... | ..... | ..... |
| 1 | .01½ | .01 | Indian Mines......... | ...... | .01 | ..... | ..... | ..... |
| 1 | .12 | .08 | Inter. Coal......... | 2,500 | .10 | .10 | .10 | .10 |
| 1 | .21 | .21 | Jack Waite......... | ...... | .21 | ..... | ..... | ..... |
| 25c | .00½ | .00½ | Kootenay King......... | ...... | .00½ | ..... | ..... | ..... |
| 10c | .04 | .01 | Lucky Jim......... | 20,100 | .02 | .04 | .02½ | .03½ |
| 5c | .12 | .04 | Metaline Metals......... | ...... | .07 | ..... | ..... | ..... |
| 1 | .03 | .00½ | Morton Woolsey......... | 10,000 | .01½ | .01½ | .01½ | .01½ |
| 50c | .03½ | .00½ | National Silver......... | 39,400 | .02½ | .03 | .02½ | .02½ |
| 50c | .08½ | .02 | Noble Five......... | 38,100 | .05½ | .06½ | .04½ | .05 |
| 50c | .01 | .00½ | Oregon Copper......... | ...... | .00½ | ..... | ..... | ..... |
| 1 | 4.11 | 3.00 | Pioneer Gold......... | 2,490 | 4.00 | 4.10 | 3.95 | 3.95 |
| 50c | .08½ | .02 | Porter Idaho......... | 3,300 | .07½ | .07½ | .06½ | .06½ |
| No | .01 | .00½ | Premier Border......... | ...... | .00½ | ..... | ..... | ..... |
| No | .35 | .07½ | Reeves McDonald......... | 2,325 | .30 | .30 | .20 | .20 |
| 1 | .60 | .21½ | Reno Gold......... | 39,925 | .57 | .59 | .48 | .51 |
| | .02½ | .01½ | Rufus Argenta......... | ...... | .01½ | ..... | ..... | ..... |
| 1 | .05 | .02½ | Ruth Hope......... | 7,500 | .03 | .04½ | .04 | .04 |
| 1 | .05 | .02½ | Silverado......... | ...... | .05 | ..... | ..... | ..... |
| 25c | .02½ | .01 | Silver Crest......... | 2,000 | .02 | .01½ | .01½ | .01½ |
| 50c | .02½ | .00½ | Snowflake......... | 23,000 | .02 | .01½ | .01½ | .01½ |
| 1 | .79 | .60 | Sunloch......... | 1,750 | ..... | .79 | .60 | .75 |
| 20c | .02½ | .01 | Wellington......... | 25,000 | .01½ | .02 | .01½ | .02 |
| 1 | .06½ | .00½ | Whitewater......... | 5,700 | .06½ | .06½ | .06 | .06 |

DIVIDEND PAYERS

| | Rate | Yield % | | Rate | Yield % |
|---|---|---|---|---|---|
| Ajax Oil.............. | 12c. | .... | Petrol Oil............ | 1c. | .... |
| Coniaurum............. | 3c. | .... | Premier............... | 12c. | 19.35 |
| Dome Mines............ | $1+10c. | 8.71 | Pioneer, B.C.......... | 12c. | 3.11 |
| Hollinger............. | 65c. | 12.03 | Royalite.............. | 50c. | .... |
| Howe Sound............ | 40c. | .... | Siscoe................ | 4c. | .... |
| Lake Shore............ | $2+50c. | 8.69 | Sterling Pac. Oil..... | 2½c. | .... |
| McIntyre.............. | $1.50 | 8.33 | Sylvanite............. | 4+½c. | 5.76 |
| McLeod Oils........... | 5c. | .... | Teck Hughes........... | 60c. | 18.01 |
| Noranda............... | 50c. | 2.56 | Wright-Har............ | 10+2½c. | 4.31 |

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# Canadian Mining News

## LAKE SHORE MINES SHOWS NET PROFIT OF $3.90 PER SHARE

### Mill Treats 834,434 Tons Valued at $12,393,367 or $14.80 Per Ton

### DIVIDENDS STAND

### New Developments at Depth Show Grade of Ore is Being Maintained

The 17th annual report of Lake Shore Mines covering the fiscal year ended June 30, 1932, shows a net profit of $7,797,011 as compared with $4,505,601 in the previous year. This is equivalent to earnings of $3.90 per share on the 2,000,000 shares outstanding as compared with $2.25 in the previous year, and as against present dividend requirements of $3 per share.

Following is a comparative income and surplus account for the last two years:

**Income and Surplus Account**
**Fiscal Years Ended June 30**

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Bullion prod. | 12,356,759 | 9,152,935 |
| Prem. on bullion | 1,441,369 | 611 |
| Interest | 95,795 | 46,119 |
| Total income | 13,893,923 | 9,199,635 |
| Less: | | |
| Prod. exp. | 4,314,583 | 3,567,049 |
| Adminis. | 46,127 | 38,320 |
| Taxes | 986,075 | 480,995 |
| Deprec. | 750,126 | 607,700 |
| Net profit | 7,797,011 | 4,505,601 |
| Less: Divid. | 6,000,000 | 3,600,000 |
| Srp. for year | 1,797,011 | 905,601 |
| Prev. surp. | 2,732,498 | 1,861,778 |
| Less: Dom. tax | ...... | 34,881 |
| Bal. forward | 4,529,509 | 2,732,498 |
| Earnings per Share: | | |
| Earned | $3.90 | $2.25 |
| Paid | 3 00 | 1.80 |

The total tonnage milled was made up of 83,668 tons from development work and 750,766 tons from stoping. Of this amount the 1,800 ft. level supplied more ore than any other level. The 2,825 ft. was the lowest level to produce ore from stoping, while all levels above this horizon the 200 ft. supplied varying amounts. Over double the amount of drifting, or 24,165 ft., was done in the past year to that in the previous year. The total development footage for the year was 46,725 ft. as compared with 35,737 ft. in the previous year.

The new flotation equipment installed during the year effected an increase in the extraction of approximately five per cent over the previous practice.

The following tabulation shows production since the commencement of operations also production costs for the past three years:

**Production Summary**
**Fiscal Years**

| Year | Tons milled | Recovery val. per t. | Bullion prod. |
|---|---|---|---|
| 1918 | 14,948 | $24.73 | $369,680 |
| 1919 | 11,907 | 24.73 | 294,514 |
| 1920 | 18,889 | 25.61 | 483,702 |
| 1921 | 21,681 | 21.22 | 460,186 |
| 1923 | 36,825 | 22.63 | 883,664 |
| 1924 | 24,223 | 23.97 | 578,242 |
| 1925 | 96,838 | 18.72 | 1,812,495 |
| 1926 | 125,676 | 17.79 | 2,235,184 |
| 1927 | 214,335 | 14.48 | 3,105,048 |
| 1928 | 237,962 | 15.25 | 3,629,318 |
| 1929 | 367,015 | 14.99 | 5,504,859 |
| 1930 | 467,648 | 14.06 | 6,576,781 |
| 1931 | 698,624 | 13.10 | 9,152,935 |
| 1931 | 834,434 | 14.80 | 12,356,759 |
| | | | $47,393,367 |

**Production Costs per Ton**

| | 1932 | 1931 | 1930 |
|---|---|---|---|
| Develop. | $1.20 | $1.40 | $1.78 |
| Mining | 2.53 | 2.45 | 2.71 |
| Milling | 1.18 | .99 | .99 |
| Taxes & mktg. | 1.27 | .72 | .58 |
| Adminis. & gen. | .25 | †.25 | .37 |
| Total oper. cost† | 6.43 | 5.81 | 6.43 |
| Deprec. & w/o | .88 | .87 | 1.09 |
| Total cost | 7.31 | 6.68 | 7.52 |

Ore reserves are shown at 258,914 tons, valued at $4,490,000, as compared with reserves valued at $6,850,000 in the previous year. The reduction in the ore reserves is accounted for by a further change-over to the cut and fill method of mining instead of the shrinkage system previously employed, and the ore reserves are being gradually reduced.

For the first time a summary of the ore developed on each level was given. On the No. 2 vein on the 2,200-ft. horizon 2,519 feet of ore averaging 71 inches in width showed a grade of $20.70 per ton. On the 2,950-ft. level the length of ore developed was 1,363 feet averaging $18.40 over a width of 69 inches.

This No. 2 vein has been intersected by crosscuts on five levels below the 2,950-ft. horizon with satisfactory results.

Three new levels on the No. 1 or south vein have been opened up. On the 2,575-ft. level 209 feet of ore over a width of 79 inches averaged $16.90 per ton. On the 2,825-ft. level 629 feet of ore has been developed over a width of 73 inches averaging $11.40 per ton.

During the year the No. 1 shaft was deepened to 3,725 feet and at the same time raising on the No. 3 shaft from the 3,075 foot to the 3,200 foot levels was in progress.

In commenting on the company's position Harry Oakes, president, stated dividends of 50 cents per share quarterly with two bonuses of 50 cents each or $3 per share may be expected. A substantial sum is to be added to the reserve account and when it has reached a figure deemed satisfactory the matter of increased dividends will be considered.

The cash position of the company reflected the increased earnings and current assets total $4,925,526 as against current liabilities of $1,252,527, leaving a net working capital of $3,671,999 as compared with $2,180,373 in the previous fiscal year.

The annual meeting is called for September 30, at Kirkland Lake.

### Nordon Retains Interest Adjacent to Keho Well

An official report by Nordon Corp. states that the company has retained 1,000 acres in the Keho area of Alberta where the Hudson Bay Oil & Gas Co. is drilling a well.

In Crockett county, Texas, the company has a small interest in a well being drilled in the Stanolind district and 4,000 acres around it, also an entire interest in 1,200 acres adjacent. Here the company sold off enough property to clear its investment in the field.

In California negotiations recently completed secured a small lease on the Sulphur Mountain where two wells are drilling. In the Twin River structure in Alberta preparations are being made to start a new well.

---

The weighted index numbers of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 60.7 for the week ending September 15, as compared with 62.6 for the previous week. Eleven gold stocks fell from 56.7 to 56.3, four gold-copper stocks from 87.1 to 80.4, and five silver and miscellaneous stocks from 29.8 to 28.6.

### Mining Personages in Canada

JOHN ALEXANDER REID, B.Sc.
Consulting geologist and mining engineer

## Reputation of John A. Reid One of the Highest Integrity

### His Thorough Manner and Reticent Nature Have Placed Him in the Front Ranks of Canadian Geologists

Sixth of a Series

Mining owes a great debt to the geologist and mining engineer for without these men of science the prospecting for and developing of mines could not have reached the importance they enjoy today. Of all sciences probably mining is the least exact. Geologists may interpret and classify the various rock formations and thereby delimit favorable mining areas from unfavorable and favorable structures within the favorable areas from unfavorable structures, but exactly appraising the extent of the minerals contained requires extensive development, careful sampling, and assaying. The life of the geologist, like that of the prospector, is one of a frontiersman. He must go to the bush and study the outcrop and endure all of the hardships and inconveniences of the prospector. Indeed, the first step in modern mining practice is taken by the geologist. From his reports and geological mapping of the rock formations the cue is taken up by the prospector when he starts his search for minerals.

The function of the geologist and mining engineer, therefore, covers the broadest field in mining, having regard for the vast areas that are inspected and it also calls for the most detailed work from the standpoint of sampling and assaying the mineral finds. His responsibility is a grave one, calling for the highest integrity.

John A. Reid is known to the mining profession throughout the Dominion as a geologist and mining engineer whose ability and integrity have placed him in the front ranks of the profession. His thoroughness and quiet manner inspire confidence. He makes no ostentatious display of knowledge, but his record during the past 30 years, first in Nova Scotia, then in British Columbia, later in Mexico, and then back to Canada in 1909, where he has since remained, speaks for him. He has always practised the ethics of the profession to the letter as anyone will attest who has tried to pry information from him, following a private examination of a property.

**Was With O'Brien Interests**

From 1916 to 1924 he was geologist for the M. J. O'Brien interests at Cobalt. To him goes a large share of the credit for the success in correctly reading the secret of the rocks that made this private mining company the only one in Canada to repeat for a third time in bringing in a profitably producing mine.

Since 1924 Mr. Reid has been doing private consulting work with headquarters in Toronto, but his commissions have taken him to the remote parts of the Dominion. He was the first engineer to visit and sample the gold finds that attracted attention to the Flin Flon area. This summer found him spending the season at Great Bear Lake, reading the rocks of Canada's newest and most remote mining camp.

His astuteness while examining the famous Bingo mine in Manitoba was largely responsible for bringing the promoter of the property to trial for "salting." Samples from this property gave such spectacular gold values that they excited suspicion. Capable and careful engineers sampled and assayed the property, obtaining amazing results. Subsequent sampling by Mr. Reid in his thorough and methodical way disclosed that previous engineers had been duped by the promoter ingeniously "salting" the sample bags with gold filings.

This carefulness may be a natural trait since he is of Scottish ancestry, born in Halifax, N.S., 55 years ago. He graduated from Queen's University in 1902 with a B.Sc. degree in chemistry and mining, and honors in geology.

Several years ago it was his privilege to go back to his Alma Mater to instruct and thereby assist a new generation in reading the secrets of the rocks.

## ALEXANDRIA MINES MAKES FOURTH DEAL

### Four Financial Arrangements Have Been Made Within a Year

Shareholders of Alexandria Gold Mines are in receipt of official advice that negotiations have been concluded whereby American financial interests are to provide further working capital. This makes the fourth financial arrangement announced by the company in less than a year. Late in 1931 the International Mining Corp. of New York had a working option to finance further development that would give it a 50 per cent interest when a mill was constructed. An examination was made and several thousand dollars spent, but the option was dropped. Next McVittie-Graham Mines assumed practically the same option as International Mining Corp., but after two and one-half months' work, including sampling, the work was stopped. In June a deal was announced between the Mid-Continent Goldfields, which was to provide $200,000 for development and construction of a mill.

In commenting on this last financial arrangement the notice to shareholders made the following observation:

"We have recently concluded negotiations and agreements with American financial interests, which should provide further working capital.

"We are also pleased to inform you that the arrangements with the Mid-Continent Goldfields, Limited, are being successfully carried out. The terms of this agreement provide for an additional $200,000 of financing for development work and erection and operation of a mill. Since this contract was signed all monthly payments have been regularly made when due, and are employed to the greatest advantage

"We are advised that as soon as sufficient ore of commercial grade warrants it, your property will be equipped with milling facilities"

## PREMIER GOLD MINE BUYS GOLD PROSPECT

### Sixth Level at Premier Said to Show High Grade Ore

From Our Own Correspondent

VANCOUVER.—Premier Gold Mining Co. has acquired, under bond, a property near Juneau, Alaska, and is undertaking exploratory development there.

The ground is said to have stood up well under preliminary examination and a working bond was taken on the claims. The purchase price is not known. Bert F. Smith, assistant manager of Premier, is now on the property, supervising operations.

Rumors have been current in Vancouver for several days that a new strike of high-grade milling ore has been made on the sixth level at the original Premier mine.

### Can. Western Natural Gas Sales Seasonally Down

Gas sales of Canadian Western Natural Gas, Light, Heat & Power Co. in July are reported at $58,586 compared with $67,405 in the corresponding month of 1931, a decrease of 13 per cent. This is the second decrease reported in the current year, the previous decrease having been in April when a drop of 4 per cent was shown.

For the year 1932, up to the end of July, gas sales amounted to $1,399,073 or an increase of 15.43 per cent over sales in the corresponding seven months of 1931 when sales amounted to $1,212,019.

**METAL PRICES**

New York—September 20—
Copper: Electrolytic spot, 6¼c. lb.
London—September 20—
Long Ton)—
Copper: Electrolytic spot, £37 5s.; future, £37 15s. Standard spot, £33 2s. 6d.; future, £33 2s. 6d.
Tin: Spot, £149 15s.; future, £151 10s.
Lead: Spot, £12 10s.; future, £12 17s. 6d.
Zinc: Spot, £15 5s.; future, £15 7s. 6d.
Silver: 17⅝d. per ounce.

## Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

| | 1932 6 Mos. | 1931 6 Mos. |
|---|---|---|
| **Arsenic, lbs.** | | |
| Ontario | 1,628,733 | 2,108,076 |
| **Bismuth, lbs.** | | |
| Ontario | 10,939 | 7,331 |
| **Cadmium, $** | | |
| Manitoba | 10,162 | ...... |
| B. Columbia | 41,554 | 129,376 |
| **Cobalt, lbs.** | | |
| Ontario | 210,283 | 295,822 |
| **Copper, lbs.** | | |
| Quebec | 31,406,483 | 34,814,415 |
| Ontario | 42,333,941 | 65,777,279 |
| Manitoba | 28,322,274 | 15,575,254 |
| B. Columbia | 27,143,755 | 33,110,093 |
| **Gold, oz.** | | |
| Nova Scotia | 267 | 279 |
| Quebec | 214,290 | 147,420 |
| Ontario | 1,127,801 | 996,922 |
| Manitoba | 56,732 | 52,788 |
| B. Columbia | 89,685 | 69,496 |
| Yukon | 7,302 | 6,398 |

| | 1932 6 Mos. | 1931 6 Mos. |
|---|---|---|
| **Lead, lbs.** | | |
| Ontario | 56,756 | 684,444 |
| B. Columbia | 125,727,824 | 142,644,598 |
| Yukon | 1,914,998 | 3,090,788 |
| **Nickel, lbs.** | | |
| Ontario | 21,162,785 | 40,690,562 |
| **Platinum metals, oz.** | | |
| Ontario | 41,762 | 44,988 |
| B. Columbia | ...... | 20 |
| **Silver, oz.** | | |
| Nova Scotia | 20 | 20 |
| Quebec | 335,186 | 263,966 |
| Ontario | 3,377,700 | 3,901,763 |
| Manitoba | 572,649 | 382,283 |
| B. Columbia | 3,699,652 | 4,382,239 |
| Yukon | 1,466,404 | 2,771,447 |
| **Zinc, lbs.** | | |
| Manitoba | 20,568,600 | 17,708,712 |
| B. Columbia | 68,496,549 | 115,971,064 |

## C. & E. REPORTS $85,231 INCOME FOR PAST YEAR

### Strong Cash Position But Dividends Await Tax Decision

The third annual report of the Calgary & Edmonton Corp., covering the fiscal year ended June 30, 1932, shows a net income of $85,231 as compared with $85,143 in the previous year. This is equivalent to three and one-half cents per share on the 2,415,100 shares outstanding.

The company's principal income is derived from royalties on petroleum production from the Turner Valley field, Alberta. Other income is from the disposition of mining and mineral rights. Production from wells on which the corporation is interested and received a royalty, amounted to 285,930 barrels as compared with 219,618 barrels the previous year. The royalties from this production amounted to $103,908 in the last fiscal year as compared with $87,451 in the previous year.

The following is a comparative income and surplus account for the past two years:

**Income and Surplus Account**
**Year Ended June 30**

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Royalties, etc. | 106,142 | 114,211 |
| Bank int. | 94 | 706 |
| Int. on invest. | 13,071 | 7,823 |
| Total income | 119,307 | 122,740 |
| Less: | | |
| Adminis. exp. | 33,308 | 37,740 |
| Taxes | 763 | 85 |
| Surp. for yr. | 85,231 | 85,143 |
| Prev. surp. | 206,658 | 121,515 |
| To bal. sheet | 291,879 | 206,658 |
| Earn. per share | $0.035 | $0.035 |

The increase in royalties is partly due to improved prices for petroleum and it has partially offset the loss in rental returns due to cancellation of acreage under lease. Expenses, too, have been reduced.

H. S. Osler, president of the corporation, deals at some length on the report covering the activities of the corporation to effect a voluntary curtailment of production in the Turner Valley field and to solve the waste problem by mutual agreement instead of by the Alberta Government compulsory conservation programme.

Owing to the dispute still unsettled with the Department of National Revenue respecting the amount of income tax due and the allowance for depletion of naphtha and gas in Turner Valley, the president and directors feel that it would be premature to consider disbursing the company's surplus.

The working capital of the company as at June 30, 1932, amounted to $330,624 comprising principally Dominion of Canada and Province of Ontario bonds.

The following is a statement of working capital for the past two years:

**Working Capital**
**As at June 30**

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Current assets | 331,124 | 246,695 |
| Current liabilities | 500 | 500 |
| Working capital | 330,624 | 246,195 |

## Tailings

The Prospectors' Airways, Ltd., is reported to have optioned the McWatters group of claims in Rouyn township for $50,000. This property was the site of a spectacular find of gold in a quartz vein which occurs in a sheared conglomerate. The property is about six miles southeast of the Noranda smelter.

* * *

Alberta Pacific Con. Oil is in receipt of official notice to confine its gas flow to 748,000 cu. ft. daily from its two producing wells. With gas curtailment brought down to this figure alarm is expressed whether the company will be able to operate on a commercial scale. An official commented on the new regulations saying it probably will mean the blowing of the well every few days in order to produce a fair amount of crude naphtha.

* * *

The new hoist has been installed on the 4,900 ft. level of Kirkland Lake Gold Mines and the new winze from this level has been started to carry development operations to an immediate objective of 1,000 ft.

* * *

Reports from St. John's, Newfoundland, state that the Buchans Mine shipped 240 cars in August containing 5,522 tons of lead-zinc concentrate. This compares with 812 cars or 18,619 tons in August, 1931, which was the largest amount shipped from the mines since the new concentrator addition went into operation. Present plans call for about 10,000 tons of production in September.

* * *

The old Mikado Mine in Lake of the Woods area is to receive further development in the hands of the Kenora Prospectors & Miners, who have had it under option for the past few years. According to the programme a conclusive test of the potentialities of the old property will be made. Some gold ore has been shipped during the past year.

* * *

East of the recent mine reported in Rouyn township there is some news of a further find in Joannes township where Cyril T. Young is reported to have staked claims. An important find is also reported as having been made between the Astoria Rouyn and the Granada properties.

* * *

As a further final step toward winding up Abana Mines, a meeting was held on September 5, electing directors interlocking with those of Mining Corp. of Canada, which through its subsidiaries Normetal Mining Corp., holds title to the property.

* * *

Royalite and Home Oil Co. are both to reduce drastically the gas flow from their wells according to the order issued by the Turner Valley Gas Commission Board. Henceforth Home will have to have a quota of 18,041,000 cu. ft. from its five wells compared with a previous quota of 22,613,000 cu. ft. Royalite quota from its four producing wells in the area is reduced to 10,725,000 cut. ft. from 14,759,000.

Increased gas flows were allowed to Calmont, Associated and Wellington wells. Under a new regulation the three Calmont wells will be permitted to flow 6,517,000; the Associated 4,199,000 and the Wellington 8,300,000 cu. ft. daily.

### Wabana Ore Exports Still on Limited Scale

From Our Own Correspondent

MONTREAL.—Iron ore shipments from the Dominion Steel and Coal's mine at Wabana for Germany have been hampered to some extent by the sailor's strike at Rotterdam, recent shipments having been re-routed to Antwerp instead of the usual destination at Rotterdam.

Two cargoes of iron ore left about the middle of the month, bringing the total shipments to Germany to date up to 81,156 tons.

## Factors In Judging A Mining Investment

### Yield Must Be Sufficient to Pay Interest on Investment and Amortize Capital During Life of Mine

By DAVID R. THOMAS

The theoretical value of a mining share is "the present worth of the future dividends," or a slightly more accurate method and the one generally used by statisticians is "the annual dividend is an annuity, which must pay interest on the capital invested and provide an annual sum to be set aside for a sinking fund that will amortize the capital during the life of the mine."

In practice what should be set aside for a sinking fund is generally distributed in dividends, and the shareholder if he wishes may invest enough of the dividends to redeem his investment by the time the property is exhausted, the remainder of the dividends is the interest or profit on the investment.

Therefore, it is clear that if the future dividends are known it is a very easy matter to calculate the value of a mining share, but unfortunately the estimating of the future dividends for any length of time, say ten or twenty years is a very difficult matter, and even the most astute and experienced engineers cannot accomplish it with any degree of accuracy.

**Forecasting Difficult**

Forecasting is not considered safe beyond a period of five years, and in the present world economic turmoil a much shorter period may not be safe. Political, economic, and labor conditions change very rapidly from time to time and even the profits in an ideal gold mine may vary considerably from year to year due to these causes.

The rapidity with which a mine is worked is also a factor that affects the value of the stock, for example, take a hypothetical ideal gold mine worked under non varying conditions. For purpose of illustration the characteristics of this ideal gold mine may be expressed: Capital: One million shares. Ore reserves: 7,200,000 tons. Grade of ore: Twelve dollars. Operating cost, including taxes and metallurgical losses: seven dollars. Profit per ton: five dollars. Total profit: thirty six million dollars.

If this mine was worked at the rate of one thousand tons per day, it would have a life of twenty years, and if worked at the rate of two thousand tons a day it would last ten years.

The present worth of a share under the twenty year plan is $17.37 allowing seven per cent interest on the capital invested and four per cent on the sinking fund. The present worth under the ten year plan and same conditions is $23.48. It may be remarked that the total profit in either case remains the same. Under present day practice this ideal gold mine would be equipped probably to exhaust the ore reserves in from seven to ten years, if the layout of the ore deposit was such that it could be developed in time.

**Amortizing the Capital**

If the expected life of a mine is eight years, it will take 10.8 per cent of the profits to provide a sinking fund that will amortize the capital in that time when the sinking fund is reinvested at four per cent. If the investor expects a seven per cent return on his investment, the property will have to return the investor 17.8 per cent in order to break even, or expressed in other words, a mine with an expected life of eight years paying 17.8 per cent will leave the shareholder in the same position as if he had invested in good securities at seven per cent.

In properties with large ore reserves, say twenty years or more, amortization becomes a small factor, and in properties with such huge ore reserves as International Nickel, amortization becomes almost negligible and the investment should be classed as an industrial.

Mining companies require a great deal of working capital as the annual reports of operating companies will attest. Quite often sufficient working capital is not provided in financing a new property, and under such conditions development work in the early stages is likely to be curtailed, the dividend period is delayed and the life of the property is prolonged, with the result that the value of the shares is less. When a property is poorly financed, as a rule a considerable drop takes place in the value of the stock about the time the property is brought into production. The old saying is quite correct: "When the mill starts the stock drops."

**Book Value Deceiving**

The book assets of a mining company near the end of its life may be large, but in many cases the funds are squandered in general expenses and salaries for a long time before the final liquidation takes place. Even in the case of a quick liquidation the salvage value of the assets with the exception of the securities held, will amount to only five to ten per cent of their book value, perhaps fifteen per cent is the most that can be expected under the most favorable conditions. Mining claims are valueless once the mineral is exhausted. The salvage value of such items as smoke stacks, excavations for mill and smelter foundations, roads, water supply systems, etc., is practically nothing. Buildings in many cases are not worth tearing down. The machinery may be partly obsolete and worn out; even if it is modern in design and in good physical condition, the salvage value is about one-half of the current invoice price.

Just before a company suspends operations the assets may be carried on the books for a considerable amount per share of stock and the investor will accept them at their book value thereby assuming all the depreciation incidental to liquidation. As a rule about the time the ore reserves are nearly exhausted a desperate effort is made and much money spent in trying to locate a new property in order to perpetuate the organization, but seldom is this effort successful. The difficulty of finding a paying mine is clearly shown by the fact that out of the many companies incorporated only a few ever pay dividends. The writer is aware of only one Canadian company that has been successful in paying dividends after the original property was exhausted.

## Unclaimed Mining Dividends Are Estimated At $500,000

Approximately $500,000 is going begging in the form of unclaimed dividends from Canadian mines This huge total represents approximately one-tenth of one per cent of the total dividends disbursed by the metal mines of the Dominion.

Figures are not available for the amount remaining unclaimed by individual mines, but on the basis of the known amounts unclaimed in proportion to the amounts paid by the respective companies, the indications are that the figure of $500,000 is not far off.

The question arises, "What has happened to all of these shareholders that have failed to claim dividends?" The fault does not lie with the mining companies as they persistently mail out the dividend cheques only to have them returned with the envelopes marked "whereabouts unknown." Many of these registered shareholders have long since died. Others failed to have their certificates registered in their own names at the time they were purchased. Doubtless many of the certificates have been destroyed. Some may be hidden away in strong boxes to make their appearance at some future date.

## COAL MINES STRIKE HAS BEEN SETTLED

### Miners Accept Brownlee Award; U.S. Tariff Prohibitive

From Our Own Correspondent

LETHBRIDGE, Alta.—Peace reigns in the coal fields of Southern Alberta and Eastern British Columbia. For seven months the West Canadian Collieries at Blairmore and Bellevue were tied up by a strike, but this tieup was terminated recently and work resumed when a new two-year agreement was signed, dating back to last April.

The same wage and working clauses as in the old agreement were included in the new pact and there will be discrimination in taking back men. Men who participated in the strike will be taken on as needed as will the rank and file. The agreement was accepted on the basis of the so-called "Brownlee award," Premier J. E. Brownlee having used his good offices to bring about a settlement.

**U. S. Tariff Effective**

Coleman and Hillcrest mines are working but at Fernie and Michel three mines of the Crow's Nest Pass Coal Company have been shut down. One of these mines is at Michel and the other two in Coal Creek, near Fernie, lack of business and expensive operation of the mines having been given as causes of the stoppage. The recent U. S. tariff enactments against certain grades of Canadian coal hit this field hard as the tariff is now practically prohibitive. Much of the coal mined in the Fernie field was exported to Spokane and other U. S. points. The coking industry is also being revived which is having its effect on the coal trade.

The local domestic mines are showing some improvement and a brisk fall and winter run is looked for if the weather on the prairies is cold. There is more money in circulation than last year and dealers are stocking up their bunkers in expectation of an increased demand for coal. More Alberta coal is being marketed in Winnipeg, replacing U. S. coal to a steadily growing extent.

**Lead in Production**

Canadian production of standard newsprint was 91.9 per cent. greater than that of the United States during 1931. For the first half of 1932 Canadian output was estimated at 999,885 tons, or 82.9 per cent greater than that of Canada's nearest competitor.

### Inter. Petroleum August Output Down

International Petroleum Co. reports an average daily production of 20,129 bbls. of crude from Peruvian wells during August and production of 46,600 bbls. daily from Colombia. At this rate production for August in both countries will be somewhat under that of previous months.

July production in Peru was 634,631 bbls. which compares with 785,841 bbls. in July, 1931, while Colombian production in July was 1,486,226 bbls. compared with 1,490,524 bbls. in the corresponding period of 1931. The company completed no new wells in either country during the month. Result of operations during the seven months, ended July 31, 1932 and 1931, is as follows:

**Production Statistics in Seven Months ended July 31:**

| | 1932 | 1931 |
|---|---|---|
| Peru: | | |
| No. of wells completed | 8 | 31 |
| Av. initial prod., bbls. | 49 | 263 |
| Total crude prod., bbls. | 4,566,750 | 4,555,015 |
| Colombia: | | |
| No. of wells completed | 4 | 29 |
| Av. initial prod., bbls. | 623 | 648 |
| Total crude prod., bbls. | 11,056,658 | 10,870,581 |

**Output Worth $219,329,000**

Production of the pulp and paper industry had a value in 1931 of $219,329,753. This compares with $233,077,236 in the previous year and with the record figure of $243,970,761 in 1929.

**No New Installations**

No new installations have taken place in Canadian newsprint plants in the past year.

## PARKHILL GOLD OUTPUT $207,431 FOR FIRST YEAR

### Lower Levels Best and Shaft Sinking Now Under Way

At the Parkhill Gold Mines in the Michipicoten area, the value of the gold output from the commencement of production a year ago to Aug. 23, 1932, amounted to $207,431. In this period, June, July and August to the 23rd, production amounted to $73,467, an average of $24,889 per month. During this period an average of 46 tons daily was treated.

Developments have been carried to a total depth of 537 ft. with levels established at 125 ft. intervals. A feature of the development is that as depth progressed the grade improved. On the first or 125 ft. level the grade averaged $9.59 per ton. On the second level, $9.66 per ton, on the third level, $11.69 per ton and on the fourth or 500 ft. level, $22.23 per ton.

A programme of sinking to a depth of 630 ft. and opening up two more levels is underway and it is expected that the ore on the fifth level will be intersected by November 1, while the sixth level is expected to be opened up by the end of the year. With these two additional levels sufficient information is anticipated that will enable an intelligent forecast of the mine's future. If improvement takes place it will definitely put the mine on a self-sustaining basis with not only sufficient income to pay all operating and further development costs, but to start building up ore reserves. warranting increasing mill capacity of 100 tons daily, which it is stated can be accomplished at a cost of $10,000.

An interesting phase of Parkhill financing has been that the promotional costs have been less than two-thirds of one cent per share on all the stock sold.

## Aerial Mapping of Great Value In Prospecting

One of the interesting and very valuable uses to which aeroplanes are put has been demonstrated recently by the survey division of the Canadian Airways in the production of a large scale photographic map of the region surrounding Echo Bay, Great Bear Lake. An area 150 square miles in extent has been blocked out, taking in the territory between Mackenzie Island and Dowdell Point and from La Bine point southwest for 16 miles. It includes practically all of the important finds in Echo Bay region.

The Dominion government has made small scale line maps from aerial oblique photographs but the Canadian Airways were the first to undertake a large scale photographic mosaic map, showing every ridge, mountain, lake, valley, fault, contact dyke, and in fact every surface feature of importance to mining men which will assist prospecting in the area.

### U.S. Families to Settle Near Portage La Prairie

Sale of 10,000 acres of farmlands southeast of Portage la Prairie to a syndicate of Minneapolis buyers is stated to portend the settlement of the land this fall by United States families. According to reports it is expected that about 60 families will be settled on the land by next spring. Settlement of the land will be on the individual family plan and not the colony system.

"There is a distinct movement of United States' farmers to Manitoba at the present time, probably due to better agriculture marketing conditions," according to the real estate dealer who made the sale. "At the present time I am conducting negotiations which will probably close early next week with the sale of an additional 25,000 acres to another United States syndicate," he continued.

### Siscoe Gold Mines To Increase Mill

Siscoe Gold Mines announces that it has decided to increase its mill capacity from 175 to 225 tons of ore daily, the increase to take effect about February 1, 1933. Already the necessary power plant equipment has been authorized in the form of another Diesel engine. Some time ago it was announced that increased mill facilities would be considered, but that the lack of cheap electric power deterred the management from making the move. It is now evident that the expansion is going ahead, utilizing Deisel engines the same as present employed.

## COMMODITY GAINS GREATEST IN HIDES

### Price Advances Range From 4 to 90 Per Cent Survey Shows

Recent price advances which have carried commodities to 1932 highs ranged from 4.3 per cent for corn to 90.5 per cent for hides, says the Wall Street Journal.

Greatest group strength has been shown by the textile fibres. Raw cotton has risen 83.1 per cent, or from 5.15 cents to 9.48 cents a pound, silk is up 56.5 per cent, or from $1.15 to $1.80, and raw wood (Ohio delaine) is up 34.3 per cent, from 35 cents to 47 cents.

Hides' advance of 90.5 per cent was from 3.15 cents to 6 cents a pound. Rubber is up 71.7 per cent, from 2.62 cents to 4.6 cents a pound, and sugar 78.1 per cent, from .64 cents to 1.14 cents.

Grains have participated but slightly in the upward movement. Wheat is up 19 per cent from the low, but corn is up only 4.3 per cent. Hogs have advanced 53.1 per cent; this is the most encouraging factor in increasing farm purchasing power.

The following table compares current high prices of certain leading commodities with the year's lows, and shows the absolute and percentage advances. Prices are on "futures," except in the case of hogs, lead and raw wool:

| | High on upturn | 1932 low | % adv. |
|---|---|---|---|
| Wheat, Sept., bu. | 55⅛c. | 46⅜c. | 19.0 |
| Corn, Sept., bu. | 31⅛c. | 29⅞c. | 4.3 |
| Rye, Sept., bu. | 34c. | 29⅞c. | 13.8 |
| Cotton, Oct., lb. | 9.48c. | 5.15c. | 83.1 |
| Cottonseed oil, Dec., lb. | 5.20c. | 3.60c. | 44.4 |
| Silk, Sept., lb. | $1.80 | $1.15 | 56.5 |
| Wool, Ohio del., spot, lb. | 47c. | 35c. | 34.3 |
| Rubber, Sept., lb. | 4.60c. | 2.62c. | 71.7 |
| Hides, Sept., old, lb. | 6c. | 3.15c. | 90.5 |
| Sugar, Sept., lb. | 1.14c. | .64c. | 78.1 |
| Coffee, Sept., Rio, lb. | 7.25c. | 4.75c. | 52.6 |
| Cocoa, Sept., lb. | 5.05c. | 3.91c. | 29.4 |
| Lard, Sept., lb. | 5.20c. | 3.72c. | 39.7 |
| Eggs, Oct., doz. | 19⅛c. | 15c. | 27.3 |
| Butter, Nov., lb. | 20⅜c. | 17⅜c. | 17.3 |
| Live hogs, Chicago, cwt. | $4.90 | $3.20 | 53.1 |
| Lead, lb. | 3.6c. | 2.6c. | 38.4 |

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STADACONA ROUYN MINES LIMITED
In accordance with resolutions passed at a meeting of the Company held in Montreal on July 24th, 1931, and a letter mailed to the Shareholders of record under date of August 31st, 1931, Shareholders are hereby requested to immediately forward their Certificates to the office of the Company by registered mail to be exchanged for the New Shares of STADACONA ROUYN MINES, LIMITED.
Holders of Certificates not registered in their own names should immediately write to the office of the Company for full instructions regarding the exchange of the shares.
STADACONA ROUYN MINES LIMITED
719 Tramways Building MONTREAL, P.Q. Lancaster 3413